

Impact Assessment
Governance and Local Democracy Project
(GOLD)

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Impact Assessment of the Governance and Local Democracy (GOLD) Project

Executive Summary

Introduction

The Governance and Local Development (GOLD) Project was designed and is being implemented within a socio-political environment filled with immense opportunity and heightened enthusiasm for local governance largely due to the enactment of the 1991 Philippine Local Government Code. The Code has created an enabling environment for innovation and creativity at the local level.

GOLD was designed in 1993 and 1994 to contribute to the USAID/Manila strategic objective of broadened participation in the formulation and implementation of public policies. The project fits under the intermediate result of effective local government with broad-based participation in selected areas. Through GOLD, USAID hopes to demonstrate that local communities can, in fact, accelerate the development process and improve local government performance in the delivery of services through a decentralized system of governance. The project goal is to bring about more responsive local institutions with greater citizen participation for local governance and development. GOLD began in 1995 and has been active in 11 partner sites (9 provinces, 2 cities) with distinct activities in about 60 municipalities and over 200 Barangays.

Currently, GOLD is at the midpoint of both its period of performance and of expenditures in its \$14 million technical assistance contract with Associates in Rural Development (ARD). The total USAID obligation is \$20 million, including NGO grants. The host country commitment is \$1.8 million.

GOLD fits very well with new understandings of democratic local governance and deserves the active attention of development planners in USAID and elsewhere as an important initiative in support of USAID's emphasis on democracy and governance.

This Assessment

This evaluation was designed both to assess project accomplishments to date and to take a prospective look at future directions for GOLD and any potential successor project. In addition, as an experimental project, GOLD may offer broader lessons for Philippine decentralization dynamics, particularly in the areas of people's empowerment, transparency, accountability, volunteerism, and performance of local government units.

The evaluation, conducted in the field from January 5 through January 20, used a combination of key informant interviews, site visits to three provinces and two cities. The findings and recommendations of the present review should have at least three distinct uses. The first and most obvious use is to set mid-course corrections and suggest new directions that might be pursued during the remaining life of the GOLD project. A second is to inform and guide the design of a GOLD follow-on project. The review's third potential use goes beyond local governance in the Philippines to provision of a model that can be replicated elsewhere.

Major Findings

- GOLD appears to be contributing to the ability of local governments to fully implement the local government code and to do so more rapidly. The technical assistance, training, and NGO organizing provided under GOLD have helped the local government units develop mechanisms for participatory planning.
- GOLD efforts appear to promote positive attitudes among local government officials about the potential for local government action and the benefits of participatory processes. In general, GOLD participants are optimistic about their work and see an expanding role for local governments in meeting citizen needs.

The GOLD project offers some potential in helping participating local governments avoid some of the problems associated with decentralization that reduce the democratic impact.

- GOLD is attracting serious attention from other donors. A significant contribution has been to build the credibility of local government units as development partners based on the recognized success of GOLD.

Recommendations

Recommendations for immediate action include:

- Develop options for broadening the set of NGOs receiving assistance under the project.
Focus additional emphasis on mobilizing local revenue.
Maintain and enhance the focus of GOLD policy studies on specific policy issues relevant to local governance, including best practices at the operational level.
Make available ARD's consultant database of over 1000 individuals and 300 institutions to the local government leagues.
- Target project resources to institutionalize and document the processes and organizational development that have taken place in project sites.
Broaden the base of institutional support for LGLs.
Focus attention immediately on mechanisms for sustainability of GOLD innovations now dependent on GOLD project support.
- Create and support more mechanisms for information exchange between GOLD and non-GOLD LGLs.
- Broaden training efforts to include ToP training for elected officials and conflict resolution where appropriate.
Orient GOLD planning activities more closely with required LGL planning efforts.

Specific management recommendations include:

- Develop mechanisms to improve integration between LGL and NGO elements.
Build an institutional base for the Leagues.
- Develop an Action Agenda for the Steering Committee.
- Improve strategic coordination with other donors.

Design Considerations for New Activities

The design challenge for the future of GOLD is to move broader dissemination of the critical elements and "lessons learned" and more sustainable provision of technical assistance and training (requiring less donor input). This vision of the future should include:

- Demand-driven provision of facilitation and technical assistance from private sources
- A dynamic and self-perpetuating system of exchange of information and experience
- Sustainable organizations to address policy issues and lobby for LGL interests
- Deepening of decentralization in other sectors

New activities undertaken as a follow-on project to the current project ending in 1999 should promote a transition from the current GOLD delivery modes for facilitation and technical assistance to the vision outlined above and further the process of institutional development of the Leagues so they can fulfill the above functions. Activities that might facilitate this transition could include the following:

- Establish sustainability, in the form of a very explicit exit strategy, as a central part of any follow-on project to GOLD in governance and democracy
 - Develop a demand-driven funding mechanism for facilitation and technical assistance that assisted LGUs can use to procure their own providers in a market environment
 - In the context of a demand-driven focus on support to LGUs and Leagues of NGOs, pay some more attention to national agencies
 - Support the development of private sector sources of specialized facilitation and technical assistance, and possibly for training in techniques such as ToP that can be broadly applied as in the current GOLD project.
 - Help the Leagues develop a permanent secretariat and sustainable financial base
 - In the latter years of GOLD, test broader application of demand-driven provision of technical assistance
- GOLD and/or successor activities should be used to pilot test devolution of sectors like education that have remained centralized.

A Post-Gold Scenario

A Philippine intermediary — ideally the League of Leagues — is serving as a facilitator/broker, linking LGUs with sources of technical expertise and assistance, including both national/CD support and specific technical support. It also has the capabilities to manage a process of policy analysis and advocacy. This intermediary has credibility with and access to LGUs but also is able to take a respected and influential place at the table of dialogue with national agencies.

The agenda of the intermediary is to raise awareness, respond to demand, and link national demand to Philippine resources for assistance — training, planning, facilitation, expertise, from other LGUs, policy studies, etc.

An LGU Development Fund is available, or cost sharing responses to LGU demands, secured to contribute on a declining basis over a period of years.

This is a nationwide program.

Donor assistance is targeted on capability building for the intermediary, assistance to the intermediary in fulfilling its role, and funding, in part, the LGU Development Fund. Other donors are helping to support this work.

This scenario provides a transition to sustainability for a demand-driven, market-oriented approach for LGUs to a much-needed support for their own initiatives in effective democratic local governance.

Making this scenario possible should guide GOLD strategy in its final years.

Lessons Learned for USAID Implementation and Strategy

Design factors

- 1 Intensive on-site technical assistance and training can bring about impressive changes but may be difficult to sustain and replicate broadly
- 2 Combining support for local 'demand' and 'supply' in an integrated approach offers potential synergies for increasing participation
- 3 NGOs can be effective mechanisms for transmitting citizen interests if they are structured to represent a broad range of citizens and avoid manipulation by local elites
- 4 Targeting sites that have the pre-requisites for success can demonstrate the potential of a given approach but may not provide insights required for broader application
- 5 'Demand driven' project mechanisms assure that the project is relevant and sustain local interest but create greater management challenges
- 6 Decentralizing the project structure and implementation reinforces the decentralization objective
- 7 Combining local efforts with support for national associations or leagues provides opportunities for addressing national level policy issues and mechanisms for broader dissemination of information
- 8 Using a variety of techniques to monitor progress provides different perspectives for determining project priorities or possible changes in approach
- 9 Designing project activities to build on prevailing cultural norms and conditions is important to project success but may limit its replicability in other national/cultural settings
- 10 A broader range of entry points offers the project increased flexibility

Implementation factors

- 1 Packaging and marketing of key processes may be as important as the substance
- 2 Project implementors can be overloaded if forced to take on too much too fast
- 3 Project-funded personnel should avoid taking over local government functions
- 4 Mechanisms for integrating the work of different implementing entities should be built into the design
- 5 The quality of local staff is critical to project success
- 6 Person-to-person sharing of best practices can be a powerful means of dissemination
- 7 Serious attention to performance results data can focus broad attention on key issues
- 8 Trusting local decision making pays off

Impact Assessment of the Governance and Local Democracy (GOLD) Project

1 PROJECT BACKGROUND AND SUMMARY DESCRIPTION

1.1 The Philippine Context

The Governance and Local Development (GOLD) Project was designed and is being implemented within a socio-political environment filled with immense opportunity and heightened enthusiasm for local governance largely due to the enactment of the Local Government Code (RA 7160). The promulgation of the Code was in accordance with a 1987 Constitutional provision which ensures that territorial and political subdivisions shall enjoy local autonomy.

Within an historical Philippine context of excessive centralization, the enactment of the Local Government Code on October 10, 1991 was a radical milestone in the history of the Philippine politico-administrative system. With centralism perceived as one of the major causes of slow development in the countryside and government's failure to effectively deliver basic services, the Code sought to reverse centuries of centralism by bringing government closer to the people. Under the Code, local government units become the central factors in local development by devolving to them specified fiscal powers and substantial authorities and regulatory responsibilities formerly held and jealously guarded by the national government. Local planning, health, social welfare services, environmental management, agricultural extension and on-site research, tourism, telecommunication services, housing, investment support, and other basic services are now, in some measure, the responsibilities of local governments. Certain regulatory powers, such as the reclassification of agricultural lands, enforcement of environmental laws and the national building code, inspection of food products and quarantine, and the processing and approval of subdivision plans were also devolved to the local governments. The devolution also entailed the transfer of equipment, assets, and personnel. To date, some 70,557 positions or 61% of the total field personnel of devolved national government agencies have been localized and P520 million worth of assets from national government have been transferred to local governments.¹

The Code also increased the financial resources available to local government units. It provided local government units broader taxing powers and a share from the national wealth exploited in their area. It also increased the authority of local governments to generate revenues from local fees and charges, subsequently empowered LGUs to secure loans, grants from local or foreign donors without seeking approval from national government and engage in various local revenue-generating schemes, such as bond flotation and build-operate-transfer arrangements with the private sector. A major feature of the Code is the four-fold increase of the LGU Internal Revenue Allotment from an aggregate total of about 11% (spread unevenly) to 40% (shared more equitably). In 1997, total IRA was P 71.8 billion which is 14% of the national budget and constituted approximately a share close to 70%

¹ Department of Budget and Management, Budget of Expenditures and Sources of Financing FY 1997, July 1996.

for most municipal and provincial budgets and over 40% of most city budgets². Clearly, the Local Government Code drastically changed the power relationship between the central government and the local governments.

The Local Government Code also was hailed as a breakthrough in legislation by non-government organizations and people's organizations because it provided the legal infrastructure for local communities to claim their rightful share in decision-making processes which for many years were monopolized and dictated by national government.

The history of development work in the Philippines in the last quarter of the century is replete with efforts to address the people's needs by non-government organizations (NGOs). Through their relief and welfare, community organizing or policy reform work, NGOs have become an alternative mechanism to government in the delivery of social services and a critic of government's development priorities and strategies.

Prior to 1986, the relationship between the NGOs and the government was mainly characterized by non-collaboration and even mutual suspicion and outright hostility. NGOs vigilantly protected their autonomy and independence from government and oftentimes, especially during the Marcos dictatorship, viewed government as an adversary. They were constantly critical of the regime's anti-democratic character and its gross inefficiency and ineffectiveness in providing services to many disadvantaged areas and social sectors.

With the Code's provisions promoting and facilitating the participation of civil society in local governance, NGOs, people's organizations (POs) and local government were provided the opportunity to work together in transforming the nature of governance in the country. NGOs began to view the Code as a venue for advancing democratization and development processes. Specifically, it provided for mandatory membership of NGOs and POs in local special bodies, private sector partnership with government through joint ventures in development projects and direct NGO and PO access to government funds. Provisions for recall and popular initiative also enhance people's ability to exact accountability and transparency from its local government officials.

Clearly, the Code created immense possibilities in advancing democratic governance. These opportunities, however, can only be translated into reality given the right combination of factors such as (1) effective and innovative local leadership, (2) capable local government bureaucracy, (3) a dynamic civil society, and (4) a national government committed to local autonomy.

In October 1994, a Master Plan for the Sustained Implementation of the Local Government Code (1992-1998) was adopted by President Fidel Ramos and served as the framework for the Code's implementation. The plan identified three major phases of the implementation. Phase One, the Changeover Phase (1992-1993), mandated the transfer to LGUs of devolved functions with the corresponding assets and personnel. Phase Two, the Transition Phase (1994-1996), constituted the institutionalization of the decentralized schemes in national government agencies and LGUs as stipulated in the Code. Phase Three, the Stabilization Phase, pointed to the development by LGUs of

Source: Stephen Roda, ARD.

This Master Plan was designed with technical assistance from LDAP.

adequate capacities in managing local affairs, and the provision of constant support and technical assistance to LGUs by the national government agencies (NGAs)

The Code has been implemented aggressively. The changeover phase was completed amidst some clamor from devolved personnel for re-nationalization of their departments. The devolved personnel of the Department of Health, for example, expressed their concern about career paths, non-absorption by the local government units, lower salaries, inadequate medicines, bureaucratic purchasing procedures, and politicization of recruitment and promotion procedures. Pressure from the devolved health workers prompted both houses of Congress to pass a bill calling for the re-centralization of the delivery of health services. President Ramos, however, vetoed the bill. This sent a signal to anti-devolution forces that the full implementation of the Local Government Code will continue.

Despite persistent difficulties, widely attributed to unresponsive national policies and bureaucratic delays, the Code clearly has created an enabling environment for innovation and creativity at the local level. Recognition devices such as the Ford Foundation Galing Pook awards have been created to acknowledge excellence of local chief executives and their respective local government bureaucracies. Yearly, these awards yield several "best practices," highlighting the achievements of local government units in various fields, such as local administration, innovations in program management, efficient delivery of basic services, and improved environmental management. These awards particularly show that a critical success factor in effective decentralization is greater innovation on the part of local governments and a willingness on their part to experiment and take risks.

Decentralization operates within a longstanding political culture of patronage. Persistent poverty and the prevailing culture of political patronage characterize the countryside. The performance of elected officials, both local and national, often is assessed based on the personal favors and services they have given to their constituencies rather than their ability to advance and operationalize democratic and development goals.

The decentralization process itself will likely change the patron-client system toward a more democratic one over time, but this must be expected to be a long process. In the meantime, the older system is very much a part of the local scene in many (though significantly not all) areas. Its persistence is a major factor in the glaring inconsistencies apparent both in national government and in some local government units in the implementation of the Code.

One major irritant between national government agencies and local government units is the issue of unfunded mandates. National government assigns and often dictates the implementation of nationally conceived programs to local government units without any accompanying financial support for their implementation. To make matters worse, the budgets of devolved national government agencies have regularly increased despite devolution. Increases have been attributed partly to the so-called "pork barrel" funding allocations of members of Congress that are channeled through the budgets of national government agencies such as the Country Development Fund (CDF), Congressional Initiative Allocation (CIA), and Public Works Allocation (PWA). Despite

⁴ USAID Manila prefers the term "good practices" but we use the term more recognized in the general literature.

widespread clamor for the abolition of these pork barrel funds the practice persists because congressmen know very well that their stay in office largely depends on their ability to place projects in their respective legislative districts. Their performance is not measured in terms of the quality and responsiveness of their policy proposals in the national legislature but in the number of projects they are able to direct to their districts.

In this context GOLD entered in 1995 to play a facilitating role in support of effective and responsive democratic local governance.

1.2 The GOLD Project

The GOLD (Governance and Local Democracy) project goal is to *bring about more responsive local institutions with greater citizen participation for local governance and development*. The project seeks to demonstrate that local communities can, in fact, accelerate the development process and improve government performance in the delivery of services by effectively harnessing community resources and utilizing authorities provided under the Philippine Local Government Code of 1991.

The GOLD project has organized its interventions in five activity areas:

- participation mechanisms (with focus on the roles of community-based NGOs and LGUs)
- local government action areas (emphasizing financial mobilization and management, development investment prioritization and promotion, and environmental planning and management)
- Leagues of Local Government and NGO networks
- policy advocacy (focusing on streamlined administration, national resource allocation, intergovernmental government relationships, case studies of innovative local government systems, and other *demand-driven* studies) and
- communication and feedback systems (rapid field appraisals, performance monitoring, communications systems for information sharing, and tracking of local perceptions regarding government)

GOLD began in 1995 and has been active in 11 partner sites (9 provinces, 2 cities) with district activities in about 60 municipalities and over 200 Barangays. The eleven major sites were selected by a multi-agency and local government represented Project Steering Committee. This committee has a continuing role to monitor overall project implementation and serve as an information sharing forum. GOLD is unique, however, in that it is demand-driven and local government focused. There is no controlling central department or authority distinguishing GOLD from past USAID and other donor interventions in governance in the Philippines.

Specifically, the GOLD project purpose is to *establish effective local governments with maximized citizen participation in selected provinces and independent cities with a functioning system of communication or consultation*. Key mechanisms to achieve this purpose are to

- strengthen participatory mechanisms for local governance by bringing non-governmental community-based organizations into the formal decision making structures of a community
- support accountability and transparency in local government operations for more effective government performance in key areas of local development and
- institute a system of performance bench marking through documentation and dissemination to multiply the impact of project activities and results

Planned project outputs include

- institutionalized participatory decision making structures at local levels
- more responsible government performance which enhances financial human and community resources prioritizes and promotes development investments and contributes to sustainable environmental management and
- institutionalized information collection communications replication and feedback systems

The GOLD project is implemented primarily by participating local government units (LGUs) Providing support to the LGUs are the project contractor Associates in Rural Development Inc (ARD) and four cooperating institutions These cooperating institutions include two NGO grantees Philippine Business for Social Progress and the Evelio B. Javier Foundation (EBJF) and two sub-grantees CODE-NGO and PhilDHRRRA By intent the ARD contract team participated in the selection of the NGO grantees to facilitate close coordination

GOLD implementation started in 1995 Currently GOLD is at the midpoint of both its period of performance and of expenditures in its \$14 million technical assistance contract with Associates in Rural Development (ARD) The total USAID obligation is \$20 million including NGO grants The host country commitment is \$11.8 million

A fuller project description is provided in Annex 1

1.3 Relationship to Philippine Mission and Broader USAID Strategy

GOLD was designed in 1993 and 1994 to contribute to the USAID/Manila strategic objective of *promoted participation in the formulation and implementation of public policies* The project fits under the intermediate result described as *effective local government with broad-based participation in selected areas* Through GOLD USAID hopes to demonstrate that local communities can in fact accelerate the development process and improve local government performance in the delivery of services through a decentralized system of governance

GOLD follows a longstanding tradition of USAID support for decentralization in the Philippines most recently through the Local Development and Assistance Program (LDAP) and Decentralized Shelter and Urban Development Project (DSUD) These programs focused on the policy arena supportive of the then proposed Local Government Code As such and with the major policies in place with the passage of the Code it was a natural progression to move to support of the new policy set Thus GOLD primarily supports LGUs in the implementation of the code

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What is unique about GOLD is its focus on governance, reflected in direct support to local government units rather than national government ministries. Based on that experience and on an extensive consultative process through the design phase, the Philippine USAID Mission saw GOLD as an intensive effort to demonstrate that democracy works: that open and transparent decision making results in more unified, legitimate, and equitable policies and programs; that government becomes more responsive to people's needs as they themselves define those needs; and that government must be held accountable for its performance. (GOLD Project Paper, p. 1)

GOLD also is unique in its shift from a focus on policy reform at the national level to assisting local governments, Leagues of Governments, and local community organizations to come together to address local problems, implement policy reforms (especially those embedded in the Local Government Code of 1991), and enhance the effectiveness of local advocacy for citizen interests. The project Steering Committee includes both national agencies and local government units as well as League and NGO representatives. The current chair, in fact, is a provincial governor from Cotabato.

GOLD represents an important learning laboratory for the broader USAID emphasis on democratic local governance (DLG). As a largely administrative and to lesser extent financial enterprise, decentralization has had a long history in donor-assisted interventions, especially in the Philippines. But as a *democratization* strategy, it is relatively new. DLG looks beyond local government administration and service delivery to institutions and structures that enable people to decide things and do things for themselves. The project, in short, treats people not as beneficiaries in the traditional sense but as citizen stakeholders.

GOLD fits very well with new understandings of democratic local governance and deserves the active attention of development planners in USAID and elsewhere as an important initiative in support of USAID's emphasis on democracy and governance.

2 PURPOSE AND APPROACH OF THIS EVALUATION

2.1 Evaluation Purpose

GOLD is a five-year effort running from 1995 through 1999.⁵ Thus this evaluation comes at mid-term. Project activity is underway in all eleven planned partner sites (9 Provinces and two cities) albeit at varying stages. This evaluation was designed both to assess project accomplishments to date and to take a prospective look at future directions for GOLD and any potential successor project. In addition, as an experimental project, GOLD may offer broader lessons for Philippine decentralization dynamics, particularly in the areas of peoples empowerment, transparency, accountability, volunteerism, and performance of local government units.

As a formative evaluation, this inquiry will be successful if it informs managers and implementors so as to usefully refocus or redirect their efforts in key strategic areas of project performance. Because of the significance of the GOLD methodology for broader development interests in democratic decentralization, the evaluation also should inform those interests.

2.2 Methodology

USAID guidelines for this evaluation established several key areas of inquiry, which form the basis for the organization of this report.⁶ These include:

- the impact of strengthening participative mechanisms
- the impact of key action areas — resources (funds) mobilization and management, development investment prioritization and promotion, and environmental planning and management
- the impact of support for leagues and NGO networks
- the impact of policy support
- the impact of institutionalizing a communications feedback system, and
- the impact of the project management and implementation process

The evaluation, conducted in the field from January 5 through January 20, used a combination of key informant interviews, site visits to three provinces and two cities, and a review of extensive project documentation. A list of sites visited and persons interviewed is provided in Annex 1. The end of

USAID has stated publicly its intent to extend the GOLD project for up to a year.

⁵ The full scope of work is provided in Annex 2.

The provinces included Capiz, Bonol, and Sarangani. The cities were Naga City and General Santos City. These sites, pre-selected by USAID, represented a cross-section of GOLD project locations. A fuller assessment would need to visit all sites as well as a comparison group of non-GOLD provinces and cities. For purposes of a learning-oriented mid-term evaluation, however, the selected sites offer a valid cross section of implementation issues to explore. Because GOLD activities spread unevenly across sites, what we actually saw may lead to some findings that do not fully reflect impacts we did not see.

the field evaluation coincided with a major GOLD-sponsored Conference "Beyond Breakthroughs LGU Performance after Decentralization." This conference brought together local government leadership from all 11 GOLD sites, NGO representatives, donors, and other interested stakeholders to share ideas about responsive governance, service quality, leadership development, and resource generation. The conference also served to help LGUs chart the future of innovative local governance in the Philippines. Numerous cases of innovative practices were used as a basis for discussion. For the evaluation team, this conference provided an opportunity to hear from and talk with a wide variety of GOLD participants and observers.

The GOLD project has a relatively rigorous set of internal monitoring processes in place. In terms of periodic reporting, there are three activities worth noting.

First is regular quarterly performance reporting. These reports provide a summary of project activity, tabular summaries of actual versus planned performance keyed to work plans, illustrative performance summaries by project site, action area, and selected topics of relevance (organized around activities, key issues, and next steps). Extended reports for the second and fourth quarters provide greater detail, include suggestions for courses of action, and provide six-month provincial summaries of activities and achievements.

Second are a series of "Rapid Field Appraisals of Decentralization." Starting with the LDAP project, seven of these appraisals have been conducted since enactment of the 1991 Local Development Code. Three have occurred under GOLD. Their purpose is to provide feedback on policy, administration, and political adjustments needed to keep the decentralization process responsive to the vision and goals set forth in the Code. The process uses teams of consultants who conduct field interviews with local officials, national government agency personnel, and persons from the private sector and NGOs. The consultants convene for a synthesis seminar in Manila to discuss and distill their findings and observations. These are then presented in presentations and a written summary to a broad audience of national level decision makers, legislative representatives, and other decentralization stakeholders such as leaders of NGOs and the donor community. The focus of these appraisals is on the pace and direction of decentralization reform in the Philippines. They provide a valuable qualitative examination of key topics related to GOLD implementation.

Third is an annual series of GOLD indicator result reports keyed to the USAID Manila strategic objective and results package supported by GOLD. Nine indicators are used, two keyed to the strategic objective of broadened participation in the formulation and implementation of public policies and seven keyed to the intermediate result of effective local government with broad based participation. For each, there is a 1995 baseline figure and planned plus actual results for the years 1996 through 1999. To date, the 1996 results have been reported and 1997 data gathered for a report due in February 1998 (in time for scheduled USAID R4 reporting to Washington). A particular aspect of quantitative data collection is citizen polling. Surveys of citizen preferences and satisfaction are both a planning and monitoring tool, and the GOLD intent is to institutionalize this performance monitoring capability and its use. In BOHOL province, for example, a survey agenda workshop was held during the evaluation. Forty participants from the provincial and national governments (including the Governor) and the private and NGO sectors participated. One result of performing and publicizing citizen surveys has been a growing interest in monitoring how local governments are doing in responding to the needs of their citizens.

The availability of this array monitoring and evaluation information well serves project management and informed information sharing. It also provides a base of data for this evaluation which we have attempted to validate through our own inquiry.

One consequence of this elaborate monitoring setup is that a short assessment like the present one limited to a sample of GOLD sites and no non-project sites is not likely to reveal significant evaluative findings not already known to USAID and its GOLD contractor and grantees. We hope, however, that the primary contribution of this assessment will be to fuel productive discussion about a sustainable future for the valuable activities and impacts of GOLD.

2.3 Projected use of findings and recommendations

The findings and recommendations of the present review should have at least three distinct uses. The first and most obvious use is to set mid-course corrections and suggest new directions that might be pursued during the remaining life of the GOLD project. A second use of this review could well be to inform and guide the design of a GOLD follow-on project. The nature of the gestation review and approval process for new projects within USAID is such that a minimum of twelve months (and most often longer) is required to move a project from concept to implementation. Given that GOLD is scheduled to end in September 1999, this review is a timely one.

The review's third potential use goes beyond local governance in the Philippines. Decentralization generally has had a less than happy history in Third World settings; it has been tried many times in different guises over the decades, and it has far more often than not proven unsuccessful. Good examples have been few. Devolution of significant power to the local level holds a central place in USAID's democratization strategy, however, and the agency needs good models to give that can be replicated and equally importantly can give a verisimilitude to its strategic thinking. GOLD bids air to providing such a model, and so this review is likely to have considerable utility outside the Philippines itself.

3 FINDINGS AND CONCLUSIONS REGARDING PROJECT IMPACT

In the process of visiting project sites, reviewing project documents, and interviewing a wide variety of people involved in the GOLD project as implementors, partners, or beneficiaries, the evaluation team developed some general impressions about the impact of the project at this point in its implementation. Beyond the more specific impact associated with each element of the project design, these general impressions include the following:

- *GOLD appears to be contributing to the ability of local governments to fully implement the local government code and to do so more rapidly.* The technical assistance, training, and NGO organizing provided under GOLD have helped the local government units develop mechanisms for participatory planning.
- *GOLD efforts appear to promote positive attitudes among local government officials about the potential for local government action and the benefits of participatory processes.* In general, GOLD participants are optimistic about their work and see an expanding role for local governments in meeting citizen needs.
- *The GOLD project offers some potential in helping participating local governments avoid some of the problems associated with decentralization that reduce the democratic impact (e.g., control by local elites).*
- *GOLD is attracting serious attention from other donors.* A significant contribution has been to build the credibility of local government units as development partners based on the recognized success of GOLD.

3.1 Impact of Strengthening Participatory Mechanisms

Those involved in the GOLD project at any level generally seem to have bought in to the concept of participation in a way that goes beyond rhetoric. Though the team heard reports of some resistance to participatory mechanisms, site visits and interviews suggested that the project is having impact in the following areas:

Participatory planning mechanisms are in place or approved in most project sites. Most of the project sites visited by the evaluation team had begun to institutionalize participatory planning processes—at least at the city or provincial level. Significant progress has been made in establishing these planning mechanisms at the Barangay level to focus at the lowest government level in order to build up priorities from the grassroots to successive levels of local government. NGOs and People's Organizations (POs) have a guaranteed place in local Development Councils—at least 25%—although various factors serve to limit the effectiveness of these Councils. Some are not really functional and the scope and quality of NGO representation in other collaborative bodies depends strongly on local political leadership. Strong local networks of NGOs provide a countervailing force and GOLD work to facilitate and strengthen local networks has made a clear difference in project sites.

The nature of government regulation of NGOs can result in a somewhat uncoordinated accreditation process involving several departments. The criteria for accreditation are rather formal and do not necessarily relate to the nature or quality of NGO activities. Here again, local networks can provide a counterbalance, supporting a trend toward more *ad hoc* mechanisms of participation outside those specifically mandated by the Local government code.

The message of GOLD is that "conscientious participation really does work" giving people the tools for productive civil society dialogue. There also is the sense that decentralization and local autonomy are trends that are here to stay and not likely to be reversed. Our observation of the dynamics of participation at the sites we visited supports this affirmation and suggests that this participation produces qualitative differences in local decision making.

For example, in Naga City, local officials and NGO representatives indicated that the participatory planning process had produced the following changes:

- created a city environmental office to serve as the focal point for environmental initiatives
- contributed to the development and passage of a solid waste ordinance
- resulted in moving the site of a planned landfill site
- created a systematic way of coordinating between city officers, NGOs, Barangays, and the private sector - before planning was fragmented
- contributed to the development of a "functioning health board"
- resulted in additional attention to the social side of the Naga River project - especially displacement issues
- resulted in a Congressional hearing on the urban poor
- expressed environmental concerns about the development of a golf course (that apparently were holding up the project) and
- encouraged the development of livelihood projects in some Barangays

In General Santos City, local officials and others indicated that GOLD efforts had resulted in the following changes:

- 90% of priorities established in the doables workshop were established in the 1997 city budget
- social oriented spending increased dramatically - to 68% - while infrastructure spending was cut (feasible due to delays in ongoing projects) and spending for the environment increased
- plans for regular participatory planning meetings had been established
- Labangal Barangay had developed a solid waste plan out of GOLD-facilitated participatory processes which led to an ordinance passed by the Barangay Council
- Labangol Barangay had developed a process for budgeting (before we didn't know what to do in budgeting - now we know) and
- Labangol Barangay had developed day care facilities

In Sarangani, the process had not developed sufficiently at the provincial level to suggest specific outcomes other than the development of project protocols and planning processes. But the municipality of Kiamba noted the following outcomes:

- municipal spending on the environment had increased from P 50,000 to P 1,000,000 and

- NGO involvement in planning had increased

The Technology of Participation (ToP) approach has been widely accepted in GOLD project sites. ToP appears to be highly effective in drawing in a wide range of participants with an equally wide range of ideas, mobilizing people to refine and reduce their thinking to a manageable package of proposals and inducing them to take significant ownership of the results. Moreover, the same groups of people appear to find ToP useful in successive reiterations, for instance moving from provincial to municipal to Barangay level or in refining their activities within a given protocol sector. ToP is not the first group decision-making methodology to do this, for there have been a number of similar approaches in recent decades, but it does appear to be highly effective, and to have left its participants thinking that it is a good approach to replicate in other venues. This was the case in each site covered by this assessment. It is clear that GOLD support for participatory development planning has dovetailed well with the movement of local government from individualistic patron-client service to more substantial development planning. In General Santos City, for example, GOLD facilitated the city's 1997 planning and budgeting workshop (locally dubbed a *doables* workshop). Funds are now in the city budget to repeat the process next year. And the city has adopted ToP techniques for other non-GOLD decision making.

In all, over 920 persons have been trained in ToP through 1997. Over 700 of these were from local government (of which nearly 400 were from the municipal level). There is no question that the wide spread of interest and training in ToP has had a major influence on the way business is done in GOLD sites from the province or city down to many Barangays. What also seems significant is that citizens are participating as stakeholders, not just as beneficiaries.

The one exception we saw to the generalized support for ToP was in Sarangani where the province had attempted to integrate ToP into other planning mechanisms championed by another consultant. They felt that ToP did not provide sufficient emphasis on information gathering and had attempted to create an integrated approach incorporating ToP with other techniques.

NGO organization for participation is underway in all sites but is uneven. PhilDHARRA, the GOLD sub-grantee charged with facilitating NGO networks, works to promote effective citizen involvement in local governance, specifically in connection with the Local Government Code's provision for NGO inclusion in local special bodies in all LGUs. This was not evident in Capiz where the Gerry Roxas Foundation has in effect been dealing with both the LGU and NGO project components. But in Bohol we did see PhilDHARRA and its local affiliate BANGON in action, and the latter was certainly playing a role in LGU activity, coordinating NGO participation on LGU local special bodies as specified in the Code. The idea here is that one or two BANGON members do this in each municipality, facilitating cooperation among the People's Organizations there, including their representation on these special bodies. To what extent this could be seen as effective participation, however, was not as clear, though PhilDHARRA has devoted serious effort to defining and measuring effectiveness and is coaching the BANGON network toward achieving greater participation in LGU activities.³

³ See the discussion of PhilDHARRA's work along these lines in subsection 3.2 below.

In Naga city, there is a strong local network the Naga City People's Conference and therefore less need for PhilDHRRA intervention. By contrast PhilDHRRA had played a key facilitating role in the development of a network in General Santos City. By-and-large PhilDHRRA has adapted well to local realities regarding existing NGO networks or their lack. But the project lacks a clear mechanism for directly supporting pre-existing networks in cases where PhilDHRRA intermediation serves no real purpose as in Capiz and Naga City.

Another area of significant GOLD impact that is heavily influenced by NGOs and NGO networks is Barangay planning. Working with NGOs and People's Organizations, GOLD has achieved significant (though not universal) buy-in to participatory planning at the Barangay level and has helped Barangay Captains and their staff with the techniques to include citizens in local planning and priority setting. Several Barangay captains we spoke with in Naga City, General Santos City and Ivisan municipality in Capiz for example, had become enthusiastic supporters of ToP. This is an arena where the work of local NGO networks (like PhilDHRRA-supported CADANET in Naga City which works under the aegis of the Naga City People's Council) is very important. The Barangay captain of San Francisco in Naga City said he had learned a lot from GOLD and the Naga City People's Council about how to assess and solve problems with people's participation. One thing he learned was that he had to proactively reach out to overcome passivity. Opening the door was not enough. But he feels the results of more involvement are real, including public safety and local sanitation.

In Barangay Labangal in General Santos City, two GOLD-facilitated solid waste planning workshops were held in 1997 with the participation of over 30 participants from NGOs and city planning staff. The outcome was a resolution approved by the Barangay Council to improve solid waste management and seek government funding assistance.

In General Santos City, government officials credit Barangay planning and basic needs surveys, both GOLD-promoted, as major catalysts for participatory planning. They also say the process, especially NGO involvement, has led to a shift of budget commitments from infrastructure to social sectors.

Somewhat unclear is the question of who has been represented in the greater participation fostered by GOLD, in other words, how wide the pluralist net is being stretched. Certainly some marginal elements are being included, as with fisherfolk in the coastal resource management initiatives under the environment protocols, but what of other marginal groups (women, urban poor, etc.)? In thinking about these things, however, we must keep in mind that GOLD is not a poverty alleviation project, nor is it strictly a pluralism promotion project (though this latter is one of its goals). It cannot do everything.

PhilDHRRA helps facilitate information sharing among and between provincial, city, and municipal NGO networks. There is not much evidence of interchange between GOLD and non-GOLD areas, though PhilDHRRA provides a forum for some of this.

Relations between PO/NGOs and LGUs are improving noticeably. There is in the Philippines a legacy of uneasy and even hostile relationships between LGUs and PO/NGOs stretching back into the Marcos era if not before. In contrast with this history, we found a mostly good relationship

between these two sides in the GOLD project sites. How much of that is due to GOLD's work through PhilDHRRA and how much had already been accomplished through other local dynamics in the implementation of the Local Government code however is hard to say but GOLD certainly is helping.

We note that in some provinces the municipalities where PhilDHRRA is working to promote NGOs do not coincide with the municipalities receiving ARD technical assistance. This lack of coordination reduces the potential synergy of an integrated approach and limits the impact of both GOLD initiatives.

Current politics can have a significant effect on participation in GOLD. In Capiz, the governor is aligned with a different political party from the Roxas family (which has sponsored the Gerry Roxas Foundation) and so after the initial provincial project planning workshop held in October 1995 there was an initial lack of interest shown in GOLD from that level. But there has been much energy and interest manifested by an able group of municipal mayors and GOLD made the strategic decision to focus its attention at this level in Capiz. Moreover, effective inter-LGU collaboration in Capiz resulted from EBJF's assistance to strengthen the provincial chapter of the League of Municipalities.

In Bohol, on the other hand, the governor has been an ardent backer of GOLD from the outset and project activity has taken place at both provincial and municipal level. A second political difference between the two provinces concerns the capital cities (in both provinces the capital is officially a city rather than a municipality). In Capiz, Roxas City has participated in GOLD (although not as enthusiastically as the municipalities) but Bohol's capital city, Tagbilaran, has not beyond interest in the Bono Poll, largely because its mayor has a different party affiliation than the governor. Political divisions within the local government of General Santos City, deriving from divided staff loyalties to the current and former mayors, had also negatively affected project implementation in that site. It will be interesting to see what effects the upcoming May 1998 election will have on participation in GOLD.

3.2 Key Action Areas

3.2.1 Resource Mobilization and Management

GOLD has made serious efforts in resource mobilization and management but so far with few concrete results. There seems great interest in resource mobilization among LGUs; in a number of them (including Bohol and Capiz) this was the highest priority selected at the initial ToP exercise in October 1995. In Bohol, it attracted twice as much support as the #2 priority. Local governments throughout the Philippines are demonstrating more interest in non-traditional fund sources — loans, user fees, BOT schemes, joint ventures, and other private sector participation. This interest is propelled by the need for resources to fund growing local government service mandates.

Nonetheless, local resource mobilization has made less overall progress than the other protocols in terms of what the GOLD LGUs have been able to accomplish thus far, with a couple of exceptions.

(Naga City⁹ and Bohol among the evaluation sites) There appear to be several reasons for this relatively poor performance

First for the two major sources of LGU income that are most prominent — the real property tax and public market fees — outcomes indicate that the cost of collection in most cases nearly equals (or even exceeds) the revenues collected Presumably much of this cost is fixed in terms of salaries office expenses etc and would not increase greatly if collections were to expand thereby yielding a more positive return to municipal treasuries

Second there certainly is scope for increasing LGU revenues the real property tax tends to range around 25-30% of what could be collected of currently assessed taxes and assessed property values are far lower than the Local Government Code allows In the past however motivation for LGU tax collectors to pull in much beyond these levels has been seriously muted by the central government's incentive system The practice has been to peg past collection levels as full performance so that a collector bringing in that low amount was judged as meeting quota and anything more was considered extraordinary achievement

Third while the onus of collecting the RPT falls on the municipal level the proceeds from doing so must be shared with the provincial and Barangay levels Of every P 100 brought in P 50 is allotted to the school system (in an area that has not been transferred to LGUs in the LG Code) with the remaining P 50 divided between the province (P 17 50) the municipality (P 20 00) and its constituent Barangays (which collectively receive P 12 50) Thus of each additional peso the municipality might collect in RPT it gets to keep only 20 centavos — not a strong motivation to increase municipal collections on its own Other government levels above (province) and below (Barangay) would be well-advised to help the municipalities collect revenues more effectively (even with financial assistance) precisely because they do share those revenues

Fourth there are inherent problems with the municipal level tax employees in that they still belong to the central government's Department of Finance Treasurers and assistant treasurers do not work for the mayor though are nominally under his or her administrative supervision But the MoF has not established any standardization of assessment and collection practices Instead each assessor and collector is left to his or her own devices to develop a system All too understandably this has led to a wide variation of approaches including some corrupt ones Even where a standard system is in place the temptations and opportunities to under assess fudge data accept illegal gratification in lieu of actual collection etc are always large at the local level And when there is no such standard system the scope for such malfeasance is considerably larger

A fifth difficulty with the RPT system lies in the political economy of the local level The problem can be illustrated by referring to the checkered history of agricultural credit schemes which often founder because the larger borrowers are the main defaulters on loans owing mainly to the fact that they are the larger landowners with the greatest access to political connections and the most ability to evade repaying Similarly it can be assumed that those owing the largest real property taxes are generally those who have the largest holdings and should have the largest assessments They also are more than likely the major non-payers Some municipalities have shown ingenuity in trying to

⁹ In Naga City success in revenue mobilization preceded and is not related to GOLD intervention The Naga experience however provides an excellent case for best practices sharing

improve collection rates by offering discounts on taxes past due and building linkages to school authorities to help mobilize collection campaigns (with their 50% share of the take school officials should have even more incentive than municipal authorities) but one wonders how effective such strategies can be given the realities of local political economy

Sixth the real property tax records themselves are often out of date and in many areas considerable amounts of real property are not recorded in the local system at all. Given the observations above on political economy it would not be surprising if much of that unrecorded property is owned by local elites who would have a definite interest in seeing that their holdings remained off the local tax registers

And finally there is always the prospect of a tax amnesty which has been decreed at various times in the past by provincial governors in attempts to curry favor with those (again the larger landowners) most seriously in arrears

To judge from the initial priorities established in several of the October 1995 workshops the solution to many of these problems was perceived by LGUs as computerization of RTP systems. A good data base would surely help here in that it would be much easier to ascertain who had paid what over which years and who should be pursued aggressively in attempting to collect overdue taxes. But computers do not by themselves search out unrecorded property or make fair assessments or collect overdue taxes. GOLD has not assisted LGUs to purchase computers for their RTP systems because field research indicates there is inadequate reliable data. In some cases however the project has agreed to provide technical assistance.¹⁰

Public markets and other business taxes arguably have better prospects for raising local revenue than does the RTP but there are problems here as well with poor bookkeeping fee collectors accepting bribes in place of what they should be collecting and the like. But in this case it should be somewhat easier to determine the universe of vendors liable for rents and fees measure the basis for assessment and actually collect the taxes. Even so the total collectibles will be far less than with the real property tax. The one municipality (Dumarao) where we had a chance to check on public markets was making slow but discernible progress in this regard reorganizing its records and stepping up efforts to collect the fees due

Largely because of all these difficulties revenue collection has made little headway in the GOLD project areas in comparison with the other GOLD protocols. Naga City however proves that sustained revenue generation and collection efforts can pay off. While not attributable to GOLD Naga City can boast that local revenues account for 38 % of its budget compared with the 10-30% range elsewhere. Naga City has collected 3.37 to 5.28 pesos of RTP for each peso spent in

In General Santos City computerization of city government operations emerged as the top priority of the start-up workshop but city staff we talked to had the perception that the use of GOLD funds to buy computers was vetoed by USAID. Second was resource mobilization but this has received scant attention since. By contrast the highest priorities of the GOLD program in General Santos are land use planning watershed and coastal management and solid waste management. Only the latter was a workshop priority. In this case the interests of USAID seem to have outweighed the consultative process. In Sarangani computerization of the tax system was a workshop priority. In this case they had some computers but project TA for this protocol was not forthcoming

collection, compared with the overall Philippine local government average below 1 peso. Business Tax collection also is relatively high. This is the result of a long-term focus on revenue generation but there are lessons here that GOLD could more forcefully apply elsewhere. From the standpoint of LGU demand, revenue mobilization should be a higher priority than it appears to be. But so far, neither GOLD nor the project municipalities have made much progress in this vital area.

Nonetheless, GOLD managers believe that project field experience, even if of limited impact, is yielding the first realistic understanding of the policy and management deficiencies of the real property tax system in the Philippines. Through considerable emphasis on this topic in GOLD policy work, the project hopes to draw more attention to revenue mobilization issues.

3.2.2 Development Investment Prioritization and Promotion

ToP has been effective in developing consensus-based priorities. Indeed, there has been enthusiastic response in some areas: for example, the industrial estate proposal for Loon Municipality in Bohol, potential eco-tourism and the multi-municipality water plan in Capiz. It is less clear where eco-tourism or tree enterprise are going, although both have gotten off to a good start in some areas (a province-wide assessment of proposed eco-tourism sites in Bohol and three enterprise activities in Balilihan Municipality in Bohol).

The Loon example is probably fairly typical of what municipalities would like to initiate: planning or and enticing private investment in an export processing zone geared toward relatively low-investment industries (in this case, finished garments are the major objective, though light manufacturing and a coconut oil mill are also hoped for). The zone has already been identified, elaborate maps have been drafted, a land acquisition plan is being formulated, and a forum for potential investors is being prepared. But Loon is different from most local governments entertaining ambitions of export industries in that it has a port facility with deepwater potential already functioning, albeit on a very modest scale thus far, and it has a virtually unlimited supply of fresh water that can be tapped. In addition, it is the home town of the current provincial governor, who is a formidable development booster. These are advantages that it would be hard indeed for other LGUs to duplicate.¹¹ They will probably have to settle for something rather less ambitious.

The water initiative in Capiz is also unusual in that some 10 municipalities have come together in an effort to solve their drinking water access problem. Aquifers are elusive in this area, and it appears that the best feasible solution is to pipe water from surplus to deficit areas, although it will be expensive to do so. Thus far, things are only in the early discussion stage. But the inter-LGU nature of the enterprise is a good example for emulation: for many areas suffer the same problem, and the solutions crafted in Capiz may well have much relevance elsewhere. Moreover, the model will likely have applicability in sectors far different from drinking water. Coastal resource management

¹¹ It may also be worth noting that the Bohol Vice-Governor hails from Balilihan municipality, which is the site of the promising tree-enterprise mentioned in the preceding paragraph. On the other hand, economic estate studies also were performed in the municipalities of Calape and Tubigon. Calape's mayor is a political rival of the current governor who nonetheless supported the Calape work.

is one such sector and watershed management is another. Still another might be transportation as with municipal roads connecting two LGUs that are too small to be a provincial responsibility but important enough to the municipalities concerned to be worth upgrading.

More broadly, GOLD has influenced local government priority-setting in several ways. As noted above, citizens in several LGUs point to changes in budget allocations reflecting community priorities. Not all the following processes are new to each location but it is fair to say GOLD either initiated or improved them in every location. The processes include participatory planning, consultation, rapid appraisal, customer satisfaction polling, and inclusion of NGO and people's organization representatives on Provincial or City Council committees, Development Councils, and sectoral Task Groups. Several of these processes are mandated by the Local Government Code but their implementation is very uneven.

In Naga City there is an interesting tussle between interests favoring a municipal golf course and those (including most NGOs) who feel there are more important priorities. This one has not been settled but the fact it is an issue at all is a tribute to the growing voice of the NGOs.

GOLD conducted a December 1997 write-shop to focus on resource mobilization, investment promotion, and project development. Write-ups from this event were not yet ready for our review. GOLD staff say the focus will be on documenting actions and lessons from specific project field experience.

3.2.3 Environmental Planning and Management

GOLD has demonstrated a significant beneficial impact on environmental planning and management in some sites. Through various environmental NGOs, people have become more aware of local government roles in such issues as zoning, quarrying permits, environmental assessments, and land use management. This has propelled involvement in local government at precisely the time local governments are more open to such involvement.

At the same time, progress in the environmental sector is constrained by ambiguities in the reality that environment is not a completely devolved function. The Local Government code specifies that environmental functions devolved to local government are still under the supervision, control, and review of the Department of Environment and Natural Resources. Many national policy commitments in the sector still are developed without local government participation. Here again, selected GOLD field experience can contribute to a change in these dynamics as it is documented and discussed in policy arenas.

Activities within the environmental protocol that the team observed in Cebu, Naga City, Sarangani, and Bohol concerned coastal resources, watershed management, and agro-forestry. The coastal resources management area is perhaps the most interesting in development terms because even more so than the sanitary water initiative mentioned above, it almost necessarily entails inter-municipal cooperation. This is so because the primary problem in managing coastal resources tends to be enforcing fishing limit rules against outsiders, and a manageable coastal resource like a bay or estuary usually includes more than one municipality. To lay down fishing rules for a third or half of such an area makes little sense to begin with, but to enforce it against people from the other portion

becomes almost impossible. The only way to make regulations work is to include all the LGUs concerned both in making and in enforcing them.¹² In Capiz, two municipalities — Ivisan and Sapián — along with Nabas municipality in Aklan were cooperating to manage the Sapián Bay resource, arranging a 500-hectare fish sanctuary and a protected mangrove area. Moreover, inspired by this example, four others (Pilar, Pontevedra, Pan-ay, and President Roxas) were putting together similar plans. Given the problems the Philippines faces with overfishing and mangrove destruction, coastal resource management regimes involving several municipalities should find widespread favor.

In Naga City, a major Watershed Management Plan emerged from a consultative process assisted by GOLD.¹³ This began with multi-sectoral data collection followed by a stakeholder consultation exercise in July 1997. A planning workshop the following August brought representatives of the Naga City People's Council to the table to help firm up a strategic plan. Further discussion with a broader group of stakeholders took place in November. City leaders credit GOLD with helping them to focus on this environmental priority and with help in implementing the participative planning to which they were committed.

In Sarangani, there has been some success in integrating forest land use planning and coastal resources initiatives of the Department of Environment and Natural Resources (DENR) with municipal planning in the province. But some jurisdictional issues remain (as is true throughout the Philippines). As a location of people, say Sarangani officials, the forest is the responsibility of the local government; as a location of trees, it is the responsibility of DENR. Still, Sarangani feels that DENR is slowly moving toward concepts of community-based forest management and that GOLD-sponsored workshops have improved coordination. In several Sarangani municipalities such as Kiamba, the concerns of a range of citizens including indigenous peoples have been represented in planning events. Involvement of NGOs and POs representing these and other groups is a new phenomenon in Sarangani, influenced directly by the GOLD ToP approach. Interestingly, government officials now see participation not only as a means for citizen involvement but also as a source of useful technical skills.

Depending on the purposes for which they are defined, watersheds can be big enough to involve several municipalities or small enough to lie within a particular Barangay (for instance, in one municipality, the mayor spoke of some dozen small watersheds that had been identified by an outside consultant as needing some separate managing). Accordingly, in some cases considerable inter-LGU cooperation will be needed to exercise much resource management, while in others, a small user group within a Barangay might be sufficient to the task.

Agro-forestry efforts are best aimed at individual landowners, but need some work at the municipal level to get launched. They do offer the promise of additional income for farmers with low labor inputs, as well as providing an alternative crop for marginal agricultural land, while at the same time promoting soil (and thus watershed) stabilization. It is not surprising, then, that they have had some appeal within GOLD project areas.

- Even then, there remains the problem of enforcing the rules against outsiders (especially when the outsiders have bigger boats, as is often the case). There can also be problems with insiders who won't obey the rules, but including all the relevant LGUs is a necessary start on coastal resource management.

¹ Watershed management was the top priority at the Naga City GOLD start-up planning workshop.

3.2.4 Other protocol activities

GOLD initiatives in organizational development (OD) enjoy mixed success. Some locations, especially Bohol, claim success in LGU strengthening programs. We did not have the occasion to observe this closely.

OD has two faces in the GOLD context. The inner face is the conduct of LGU work itself, while the outer face is the provision of government services to the wider public. Both faces have been integrally involved in the GOLD project, though impressionistically it appears to have been the inner face that first appealed to participants in the initial fall 1995 GOLD planning workshops that launched most of the GOLD activity at the provincial level. In one sense OD both internal and external could be seen as the Philippine version of the 'Reinventing government' trend that has been so prominent in the Clinton Administration and just as this initiative makes some sense in the American context, so too does OD in the Philippine environment. Within LGUs, OD through its ToP approach has succeeded in getting people in different departments to interact and plan with each other, which they had not done before for the most part, belonging as they did to central ministries sited in Manila. This kind of contact probably would have come anyway eventually, as the transferred civil servants found themselves cut off from their original bureaucratic umbilical cords and left face to face at municipal or provincial level with others in the same situation, but GOLD has inspired this necessary process to move at a markedly faster clip and with more impact.

The effects of this process should be two: civil servants working better because they are working across lines that formerly divided them, and civil servants providing services to the public more effectively. The first set of effects would have to be measured through some O&M approach (how long does it take to move the paperwork on municipal purchases, etc.) but the latter is really more interesting, for here is where the public opinion polling (see section 3.5 below) becomes relevant.

Of the areas we visited, Bohol's Service Improvement Program is GOLD's most concentrated effort in OD. The province has named a Management Executive Board to sustain efforts in improving coordination among offices and programs of the province. It also oversees the performance of Bohol's Service Delivery Enhancement Program.

Another OD initiative we observed involved steps toward a performance monitoring system in Sarangani province. To this end, GOLD facilitated a 'Success Indicators' workshop to define indicators as well as do responsibility charting of programs. There is not much evidence of follow-up beyond a contractor-produced report. A planned team-building workshop was postponed and to date has not occurred. Local staff suggest that the consultant provided to them for this protocol was more of a human resources than organizational development expert.

One significant OD effort encountered by the team was a PIP (Productivity Improvement Program) program begun by Naga City prior to its involvement with GOLD and carried out largely without GOLD support. In general, interviews during site visits suggested that, with the exception of Bohol and Capiz, ARD's efforts to promote the OD initiatives had been sporadic and not part of a sustained effort.

In a few sites GOLD has supported decentralization of the Philippine health system. In this sector, the government has placed local health workers under municipal control. This hasn't led to much change because local governments have neither the resources nor the structures to manage local health facilities and staff. In Naga City, however, government has become more proactive in localizing health priorities and shifting emphasis toward preventative care. This initiative was in accord with a priority of the GOLD start-up workshop to expand the capacity of the local hospital especially in diagnostic services. In Barangay Tabuco, a Barangay Health Council has been created to support the GOLD health protocol in Naga City. We were told that in North Cotabato significant efforts in problem identification and health planning have been undertaken in several municipalities.

In general, participatory decision making with respect to health care seems to be on the rise through the involvement of communities, NGOs and POs in planning, implementation, and monitoring, especially at the municipal and Barangay levels. There is a nascent trend toward generating income through fees for services. It is not clear how much impact GOLD has on these trends but by supporting the sharing of best practices, GOLD is helping local government officials learn about successful innovations in this new area of responsibility.

3.3 Support for Local Government Leagues and NGO Networks

GOLD support for the Philippine local government leagues has had an important impact and is a key investment in sustainability. The leagues, especially the League of Provinces, the League of Cities, and the League of Municipalities, play a growing role in policy advocacy and in promoting good governance. Traditionally regarded as mere social clubs, the leagues are increasingly seen as viable and strategic mechanisms for advancing good governance.

To varying degrees their mandate includes membership services, fostering local government cooperation, technical support to local governments, liaison with the national government, legislative tracking, data bank maintenance, leadership development, and policy dialogue. The leagues have their legal basis on the Local Government Code. They are funded by dues from constituent members (though collection is far from universal, especially for the League of Municipalities) but still depend heavily on donor support for the implementation of their programs and projects.¹⁴ GOLD supports such information activities as publications, e-mail networks, and sharing programs. Much of the policy agenda described below (Section 3.4) is in response to the leagues or the newly created League of Leagues, which brings together 11 local government organizations. League advocacy has helped to thwart the efforts of some legislators to re-centralize the health sector. GOLD has played a significant role in response to demand from the Leagues and in cooperation with the Local Government Code's Oversight Committee to help them prepare for the mandated five-year revision of the code.

¹⁴ Nonetheless, the leagues are largely covering their operational costs and providing some counterpart funds for programs and projects.

¹ GOLD contributed to the formation of this League with policy and legal technical assistance.

The most urgent needs of the Leagues are capacity-building and 'professionalization' of their secretariats so they will not be at risk due to the arrival and departure of the particular politicians that are their titular heads. At the present the three major leagues have strong leadership but all three heads will be leaving office in May in some cases taking key administrators with them.¹⁶ Largely through the sub-grantee Philippine Business for Social Progress (PBSP) GOLD clearly has strengthened the effectiveness of the League of Provinces and League of Cities. In turn these leagues are a key element in the future sustainability of GOLD innovation. GOLD efforts to strengthen league secretariats especially their capacity to organize and manage sharing workshops have had an impact but much more is needed to prepare the leagues for their future role.

Although the impact of GOLD on the League of Municipalities (LMP) is not as extensive as its impact on the other two leagues it is nonetheless significant. GOLD has enhanced the league's advocacy, networking and liaison work especially with national agencies. Capacity-building and institutionalization efforts have been constrained by problems of factionalism within the organization. Despite these constraints GOLD technical assistance in policy advocacy enabled the LMP together with the other leagues to effectively articulate and advance its positions on various national issues such as unfunded mandates, local control over the police and utilization of development funds. One important component of the GOLD project is the strengthening of LMP chapters in the GOLD sites a responsibility of NGO sub-grantee the Ernesto B. Javier Foundation (EBJF). Based on our interviews with the LMP secretariat this has been problematic due to the lack of coordination and interfacing between the two organizations. Since organizational consolidation became the major preoccupation of the league's leadership minimal headway has been achieved in improving systems and standard operating procedures. EBJF has installed management information and financial management systems but these systems apparently have not been used.

The new League of Leagues works to achieve a common policy voice through consensus among the other leagues. It is taking the lead on developing policy position papers in such areas as allocation of national revenue, control of police and budgeting unfunded mandates. It has sponsored a coordinated package of 59 amendments to the Local Government Code to broaden and increase local government shares of national taxes. The League of Leagues currently has a 75-item policy agenda. Initial funding for this league came from the League of Provinces and GOLD. Longer term plans are to fund the league through fixed pledges from the three major local government leagues.

GOLD has facilitated the development of provincial and municipal networking among NGOs and POs in several sites. Networking activities among NGOs and POs in the Philippines are largely confined to the national and regional levels. With varying degrees of development in different project sites GOLD has produced tools and mechanisms for systematizing NGO and PO involvement in local governance at the provincial and municipal levels where maximum impact for meaningful and sustained citizens' participation can be achieved. GOLD has supported various capacity-building activities such as training and fora aimed at gaining a better understanding of the Local Government Code and the nature and processes of effective local

¹⁶ Term limits result in required graduation from roles as elected LGU leaders.

public administration. The presence of a network emboldens local groups to demand from local governments greater accountability and transparency.

The provincial and municipal networks have also become deliberative mechanisms for improved collective action. Prior to GOLD, NGOs and POs were represented in local special bodies. The views they represented, however, often were confined to their own individual responses or their respective organizations and not those of the broader constituencies. Through GOLD, NGO and PO representatives now begin to value the importance of concerted and collective action. GOLD assistance also has provided for the drawing up of development agendas for local governance. These provide the networks a rational basis for consensus building and collective action. Realizing these agendas, however, requires networks to be more conscientious in strategizing as a collective.

GOLD support to national NGO networking allowed for effective NGO participation and influence in the mandatory review of the Local Government Code. Under the leadership of CODE-NGO, the NGO community undertook collaborative efforts with the three major local government leagues. These activities eventually led to a consensus between the leagues and the NGOs on key proposed amendments to the Local Government Code.

3.4 Policy support

GOLD has developed a substantial demand-driven policy agenda but outputs are slow in coming. The project policy agenda comes in the context of some significant government commitment to the Local Government Code reflected in broadened local taxing powers, a greater local share of national wealth generated locally, and an increasing local government share of revenue from national taxes. Still, major agendas remain from the standpoint of local government. These largely revolve around unfunded mandates and shares of national revenue.

One component of GOLD is a policy study agenda informed by demand from local governments and especially the various local government councils. Currently, there are 28 Occasional Papers in the pipeline but only 15 have been published, several just in time for the January GOLD Conference. Among the issues addressed by these papers are reforming the municipal development fund, resource allocation imbalances, local taxes and revenue generation, local investment planning and budgeting, municipal bonds, unfunded mandates, tax administration, and investment promotion. These papers are written primarily by Filipino practitioners and are designed for an audience of both policy makers and implementors. The occasional papers are co-sponsored by the local government leagues and serve as a medium to articulate and analyze contemporary policy concerns of local governments.

3.5 Communication and feedback systems

Systems for communication and feedback are emerging as a valuable GOLD impetus. NAGA City, a recognized leader in local governance, has shared experts with several GOLD and non-GOLD sites (for example, GIS experts to Legaspi help on a People's Empowerment Ordinance).

to General Santos City) Capiz and Bohol had sent project personnel to other sites. One agro forestry expert from Capiz in fact visited Bohol as a consultant and there was some demand from Palawan for expertise from the Bohol Poll. General Santos City assisted several other sites from their minimum basic needs survey experience and had received some help from Naga City (which was a "sister city" relationship developed apparently out of the friendship of the two mayors) in computerization, health and the metro-Naga concept. Initial activities in the Kiambu municipality of Sarangani included a visit to see similar work in Luzon. Experts in facilitating Barangay planning exercises in Nueva Viscaya have trained counterparts in Bulacan. General Santos and Sarangani

A major GOLD project conference Beyond Breakthroughs LGU Performance after Decentralization was held in January 1998 (during this assessment). This conference was organized around sharing of case studies in innovation for responsive governance service delivery resource mobilization performance monitoring and leadership. This was a major opportunity for sharing best practices with attendance from all GOLD sites and a broader audience from Philippine institutions and other donors.

GOLD is the only democratic local governance project outside of Latin America that is aiming to test itself in the court of public opinion as part of its standard operations. With the support of Social Weather Stations and Trends the country's pre-eminent polling organization and field interviewing agency, GOLD has initiated efforts to measure citizen views of public service delivery and NGO participation in LGUs. The former is a GOLD endeavor to sample opinion in all the project sites with local collaborating organizations to establish a baseline measure of citizen satisfaction with government services and then measure progress. Equally important is GOLD's efforts to indigenize polling technology in ways that can be self-sustainable with local polling groups obtaining sufficient private support (from commercial firms and political parties buying add-on questions) to float their enterprises after GOLD assistance ceases. The team visited one such group in Bohol Province called the Bohol Poll which was making an impressive start along these lines having completed one survey and about to launch another in connection with the upcoming election that they hoped would establish their credibility to commercial sponsors for future polls.¹⁷ It is worth noting the key role of Divine Word College in this poll. The college provides an institutional home and bright young faculty who seem likely to sustain the process over time.

The other measurement enterprise focuses on NGO participation in the LGU system. GOLD is assessing the representation of NGOs in LGUs (the extent to which they do in fact comprise 25% of the membership of Local Special Bodies as specified in the Local Government Code) while PhilDHRRA is developing a technology to measure whether NGOs are effective advocates for a non-governmental perspective once they have attained membership in those Special Bodies. This last effort is still in process but PhilDHRRA thus far has constructed a framework of levels of participation beginning with dialogue (in which NGO networks raise issues with local officials) through effective lobbying (characterized by an NGO network's capacity to influence an LGU toward formulating policies favoring the network's position) and finally to partnership (where the network and LGU agree to a joint project).

The first Bohol poll measured citizen satisfaction with provincial government efforts to protect the environment control illegal fishing and reduce corruption among other things. It also gauged people's opinion of government employees as to competence speed in providing service and arrogance. It will be interesting to see how these measures change over the course of the GOLD project.

A key source of information for dissemination comes from the Rapid Field Appraisal (RFA) series. Four of these studies focusing on decentralization issues, were conducted before GOLD under the USAID LDAP project. Three have occurred with GOLD support. Essentially these appraisals involve field interviews with local government officials, national government agency personnel, and persons from civil society and the business community. A synthesis seminar is used to draw together consultants who have done the field work and develop findings and observations. A written synthesis is prepared and disseminated to interested parties. The focus of these studies is on the pace and direction of decentralization reform and their intent is to provide feedback on policy administration and political adjustments needed to keep the decentralization process responsive to the Code. These studies are not limited to GOLD sites.

These appraisals may be more useful as an historical analysis of what has happened than as a guide to what to do next. This recording function is helpful, even invaluable when one thinks of replicating GOLD's central features for many of the breakthroughs and growing pains experienced in GOLD are sure to be repeated (or can be avoided) in subsequent efforts. But this value may come at the expense of an available diagnostic tool that is usable right away. The trade-off is worth it if the RFA findings are actually used. They are thoughtful and informative documents but have no formal status as policy documents. GOLD staff argue that the decentralization community in the Philippines (government, NGO, academic and research institutions, private consulting firms) have been using the RFAs as authoritative sources and cite several specific examples. While not surprisingly, it is difficult to directly attribute policy impact to the RFAs, there is good evidence of impact on the quality and direction of debate and discourse on decentralization in the Philippines.

3.6 Management and Implementation Process

GOLD's departures from the usual USAID modes of project-oriented assistance created positive dynamics for project implementation and contributed significantly to the impact seen thus far. The impact of these innovations in design and implementation of the project can be seen in the following areas:

Working without a central government counterpart models the decentralization objective and creates flexibility. The project does not deal directly with and through a host-country government agency at the national level but instead has contractors and cooperating institutions at this level which interface directly with government only at the local level.¹³ This decentralized approach might seem obvious at first glance for a project whose central aim, after all, is to support devolution, but it should be kept in mind that in virtually all other instances, USAID and other donor decentralization projects do deal through national government agencies. Indeed, their doing so has sometimes been cited as itself a problem in promoting decentralization, in that it subtly encourages the central department to keep power in its own hands while in the very process of disseminating it. So it is salutary to have a project that in its own management provides an analogue of its main purpose.

¹³ Central government agencies do, of course, play a large role in supporting or hindering decentralization. GOLD thus operates in the context of national agencies involved in Code-mandated decentralization support and interacts with some of them through the Steering Committee and indirectly through the municipal leagues.

There do appear to be some benefits of this arrangement. One striking aspect of GOLD is that the different project sites are going off in quite different directions with their specific protocols. One decides to invest in providing inter-municipal drinking water while another goes in for agro-forestry and still another for an industrial estate. There is not a template here. Would this have happened under a more centralized project management? Perhaps but it is much less likely whereas the GOLD structure encourages such diversity. One of the principal advantages of democratic local governance is that local citizens are thought to be better qualified than central ministries to decide priorities and GOLD's demand-driven project framework helps greatly to assure that the former gets the larger role in choosing those priorities rather than the latter. At the same time however there remain important agendas at the Center to support the decentralization process. These include reorientation of national government agencies toward a more supportive attitude to decentralization support for local government capacity building and reform of the highly centralized audit system. Other donors such as the UNDP are working on these agendas but some observers of GOLD argue that by abandoning work with national agencies USAID sacrificed some potentially beneficial impact.

A conscious decision to "build on the best" means that project initiatives work in the context of generally favorable conditions and most importantly "political will" to initiate change - In choosing where to conduct a pilot experiment it is not uncommon to pick locations most likely to succeed (for example DLG projects in Bolivia Honduras) for one objective is to distill replicable lessons from pilot successes and successes are most likely to occur in those places that showed the most promise to begin with. But generally these sites are picked with the aid of a central department on the basis of some objective characteristics. In the GOLD case on the contrary the LGUs themselves had to indicate their own interest in being selected by submitting an application for inclusion which was then subjected to a vetting process to ensure that the best applications were in the end selected. So while it cannot be asserted that the very best possible sites were chosen it can be said that the best among those which articulated any interest were picked. This approach quite likely yields a pilot population that is superior to what could have been selected on objective grounds for it emphasizes the degree of interest and ambition that the chosen LGUs bring to the enterprise. In other words the LGUs that really wanted to involve themselves in GOLD and drew up solid plans to demonstrate their interest will probably do better in the end than those which might have looked better on paper but did not mobilize themselves sufficiently to put together a credible proposal. Thus building on the best as an approach takes on a somewhat different and arguably more accurate meaning.

Group decision-making techniques have been effectively packaged and marketed - A third departure is the exclusive focus of the project on technical assistance and training with the extensive use of ToP throughout the GOLD. As remarked earlier the ToP approach itself is basically not new -- similar organizational development and facilitation techniques are widespread under other names. But such widespread and systematic use of it is new so far as the team is aware. And as also noted above ToP appears to have appreciably deepened the sense of local project ownership among participants. It is definitely an approach worth replicating elsewhere.

Fund allocation limits effectiveness of the project's integrated approach - One laudable feature of GOLD is its appreciation that support for capacity-building should not be confined to LGUs but needs to include NGOs POs and the Leagues. With the strengthening of local NGO/PO networks and the institutional development of the Leagues a foundation for sustainability is established.

Appreciation of the role of NGOs/POs and Leagues in local governance and development however is not reflected in the allocation of funds for the GOLD project. Over 80 percent of project funds are now directed to the LGU support component and less than 20 percent allocated to the NGO/PO/League component.

Because of funding constraints, NGO and PO networking cannot be done in all the GOLD sites. Provincial networks are established in all the 11 provinces where the GOLD LGU-support program operates but it is unable to reach all the municipalities covered by the program. With more resources, NGO/PO networking might have been organized in all the municipalities covered by ARD/GOLD protocols to facilitate and sustain citizens' participation in the design, planning and implementation of local government projects. A strong NGO/PO network also serves to heighten the level of participation from mere consultation to actual policy and program influence.

The GOLD NGO grantees and sub-grantees have little flexibility in providing a full level of technical support. This seems unfortunate because, in the long-run, the key to sustainability is strong NGO/PO networks that can exact accountability and transparency from local governments and local government leagues that can effectively articulate the interests of local governments.

Coordination through a high-level Project Steering Committee has had mixed results - A fourth innovation is the use of the Project Steering Committee as what amounts to a substitute for the more typical national government agency/USAID partnership in exercising a coordinating role in GOLD. This has had mixed success. GOLD contracted separately with ARD and with the NGOs involved. There is no formal mechanism for coordination and, since original project site selection, the Steering Committee plays little role beyond information sharing. The lack of a coordinating mechanism results in close contractor-grantee cooperation being an *ad hoc* matter. In most sites this is not a serious problem but in some it could be better. In Cotabato, we were told the governor gave marching orders for GOLD actors to get their act together. Although originally chaired by a national government member, the Steering Committee is now chaired by the vice chair of the League of Provinces, a provincial governor.

The manner in which the GOLD project began exacerbated coordination problems. Bureaucratic delay caused the NGO grants to be delayed for several months after the ARD contract. As a result, the general pattern was for the start-up planning workshops at each site to occur prior to NGO organizational and social preparation activity (meaning that the PHIDHRRRA rapid appraisals and ARD-supported protocol development took place independently). The NGOs selected for early workshop participation risked being those favored by political leadership. Workshop priorities may have been skewed by the particular participants involved.⁹

The delay in starting NGO activities compromised the planned integrated approach, while these activities were intended to coincide. It could be argued that it would have been preferable to have NGO mobilization *precede* the contractor-facilitated planning process.

⁹ In fairness, it should be noted that these priorities often were adjusted in later official planning exercises that, due in part to GOLD support for NGO networks, had broader NGO participation.

4 RECOMMENDATIONS

4.1 Areas to Be Addressed Immediately

- *Develop options for broadening the set of NGOs receiving assistance under the project* - To improve representation of a broader range of citizen groups GOLD should develop strategies to reach a broader set of NGOs and perhaps provide direct assistance to local NGO networks especially where such networks already exist
- *Focus additional emphasis on mobilizing local revenue* - Increased LGU revenue raising autonomy and donor-provided technical assistance have not been enough to produce noticeably increased local revenues in the sites the team visited at least so far⁹. They have helped LGUs understand just how complex and difficult the issues are in this sector (e.g. that the cost of collecting many taxes equals or exceeds the revenue taken in). More concerted TA perhaps augmented by greater revenue raising autonomy and most likely reinforced by a good dose of political will, are going to be needed to increase these revenues in any serious way in most cases. An enhanced technical focus on local revenue collection efficiency would address a major need expressed by LGUs. Though this has been difficult for the project to work in successfully the importance of the issue suggests redoubled effort.

Some activities that might be considered include

- Develop an initiative to publicize the revenue/cost of collection ratio - possibly through league or NGO sponsorship. Making this information public in comparative form could create some public or peer pressure for improvement.
- Focus league exchanges on successful revenue mobilization efforts.
- Develop a league initiative to address some institutional constraints to improving local revenue mobilization at the policy level.
- Draw private sector leaders (bankers, investment bankers) into discussions of GOLD field-based experience with local revenue mobilization.
- *Maintain and enhance the focus of GOLD policy studies on specific policy issues relevant to local governance including best practices at the operational level* - There appears to be local demand for this kind of information and some sense at the LGU level that too much of the policy focus is on macro issues such as the IRA allocation. This of course is a matter of perspective but we support GOLD's stated intention to use the project's rich yield of field based experience as a trigger for future policy advocacy.

⁹ This conclusion may have been skewed by the particular sites we visited. More progress is reported in Palawan, North Cotabato, and Nueva Viscaia.

- *Make available ARD's consultant database of over 1000 individuals and 300 institutions to the local government leagues* - This is a key resource and it is time for ownership to be transferred to local institutions to the end of providing local governments more direct access to local consultant resources. The leagues are good candidates to play this role.
- *Target project resources to institutionalize and document the processes and organizational development that have taken place in project sites* - Local officials recognize important changes that have taken place in the way they do business but express concern that turnovers in personnel and election/graduation changes in leadership threaten their sustainability in individual sites. Selective development of manuals and other mechanisms can institutionalize these processes and also allow them to be shared as models or examples for others to consider when addressing similar problems.
- *Broaden the base of institutional support for LGUs* - Universities, consulting firms, research institutions, professional associations, and other organized suppliers of expertise hopefully will provide future alternatives to GOLD and other donor dependency. In the short-term, GOLD could help finance the costs of LGU contracting with support institutions while simultaneously helping to build their capacities and responsiveness following existing models such as the productive relationship with Divine Word College (Bohol) and the Gerry Roxas Foundation (Capiz).
- *Focus attention immediately on mechanisms for sustainability of GOLD innovations now dependent on GOLD project support* - A primary example is ToP training and facilitation capacity in Philippine training institutions - the project should create or develop sources for the kind of facilitation (ToP) promoted under the project so that it is available to local governments for use by other sites and after GOLD. This should not be too complex or costly given the large number of facilitators now trained in ToP who have used on multiple occasions.
- *Create and support more mechanisms for information exchange between GOLD and non-GOLD LGUs* - Sharing of successful approaches, innovations, and methodologies with other LGUs and NGOs can broaden the project impact and promote further innovation. Some of this is done by such actors as PHIDHERRA and the Ford Foundation but working with the Leagues and other Philippine institutions in this regard may need greater emphasis.
- *Broaden training efforts to include ToP training for elected officials and conflict resolution where appropriate* - At this point, elected officials have not received ToP training as it has been focused on staff and NGO personnel. The process of participatory decision making can become conflictive, and preparing key personnel for this possibility will improve their capacity to promote participation constructively.
- *Orient GOLD planning activities more closely with required LGU planning efforts* - The team found that the results of some GOLD-sponsored planning meetings were not reflected in formal planning documents either because the timing was not appropriate or due to the absence of key officials. The project should integrate its participatory

planning efforts more closely with the formal planning *cycle* (timing more than process) of local government units

4.2 Management Recommendations

- *Develop mechanisms to improve integration between LGU and NGO elements* - Greater (more structural and less ad hoc) emphasis is needed on coordination between ARD and the GOLD NGO grantees and sub-grantees at both the national and provincial levels. The Steering Committee is too large and broadly representative to serve an effective coordinating role at the operational level. Even USAID assigns different staff to the ARD and NGO components of GOLD. Smaller teams involving the key implementing institutions (e.g. ARD and PhilDHRRA) may be more effective in assuring an integrated project approach.
- *Build an institutional base for the Leagues* - The Leagues are a major variable in long-term sustainability of many GOLD emphases. More help for the leagues in developing financial self-sustainability and professional secretariats is an agenda of great importance to continuing a technical support, policy advocacy, and information sharing structure for LGUs.
- *Develop an Action Agenda for the Steering Committee* - The role of the Steering Committee should be enhanced, especially in the policy dialogue, advocacy, and information sharing realm. It might be useful to recruit a smaller group of champions from national government agencies to re-energize the Steering Committee.
- *Improve strategic coordination with other donors* - GOLD has attracted donor interest and had added credibility to LGUs as development partners. Our interviews with donor personnel suggest that these donors are ready to implement supportive agendas at the national level but sense a lack of meaningful initiatives for collaboration from USAID.

4.3 Design Considerations for New Activities

4.3.1 Long-term objectives

The design challenge for the future of GOLD is to move from the pilot project phase to broader dissemination of the critical elements and "lessons learned" and more sustainable provision of technical assistance and training requiring less donor input. This vision of the future building on current GOLD initiatives and principles - should include:

- *Demand-driven provision of facilitation and technical assistance from private sources* - Once facilitation and technical assistance is no longer available through the GOLD project, LGUs and NGOs should have access to the same level and specialization of facilitation and technical assistance from other sources. This could be from a public source (e.g. DILG) but experience suggests that the private sector (profit or non-profit) may offer better quality, responsiveness, and flexibility. This implies that LGUs and NGOs will be able to create

effective demand - meaning they are willing and able to pay for services they desire - for this kind of facilitation and technical assistance

- *A dynamic and self-perpetuating system of exchange of information and experience* - An institutional framework that creates and manages mechanisms for sharing information and experience will be critical to dissemination of the processes, methodologies, and programs developed under the current project and that will be developed through future innovation throughout the country. The leagues are likely to be critical to this function.
- *Sustainable organizations to address policy issues and lobby for LGL interests* - This basically requires Leagues with a solid financial and management base and dynamic leadership.
- *Deepening of decentralization in other sectors* - In the future there may be further devolution of central government services in such sectors as environmental regulation and primary education. This is likely to happen as demand for decentralized services grows, and GOLD and other USAID projects should be prepared to help those functions that are fully or partially devolved work better.

4.3.2 Transitional phase

New activities undertaken as a follow-on project to the current project ending in 1999 should promote a transition from the current GOLD delivery modes for facilitation and technical assistance to the vision outlined above and further the process of institutional development of the Leagues so they can fulfill the above functions. Activities that might facilitate this transition could include the following:

- *Establish sustainability in the form of a very explicit exit strategy as a central part of any follow-on project to GOLD in governance and democracy.*
- *Develop a demand-driven funding mechanism for facilitation and technical assistance that assisted LGLs can use to procure their own providers in a market environment.* While the use of facilitators and provision of technical assistance could continue to be subsidized (in part to continue to demonstrate the benefits of this assistance), it should place the process of identifying and selecting appropriate assistance from the market into the responsibility of LGLs.
- *In the context of a demand-driven focus on support to LGLs and Leagues of NGOs, pay more attention to national agencies in two areas - 1) support for continuing bureaucratic reform consistent with a focus on decentralization, and 2) helping appropriate national agencies (such as the Local Government Academy) to become effective supporters of capability-building in LGLs by spreading GOLD field experience-based intellectual capital.*

Support the development of private sector sources of specialized facilitation and technical assistance, and possibly for training in techniques such as ToP that can be broadly applied.

as in the current GOLD project - Local organizations already exist for management consulting in the private profit and non-profit sectors that could develop specialization in local government issues. GOLD could help them develop these capabilities.

- *Help the Leagues develop a permanent secretariat and sustainable financial base* - The further institutional strengthening of the Leagues should be an integral part of any future intervention.
- *In the latter years of GOLD test broader application of demand-driven provision of technical assistance* - GOLD could provide TA in a less intensive and localized fashion to pilot sites beyond the current eleven (using cross-sharing of best practices from current sites as much as possible).
- *GOLD and/or successor activities should be used to pilot test devolution of sectors like education that have remained centralized* - Building on the experience of health decentralization, limited tests of education decentralization could provide valuable learning before fuller implementation. GOLD sites provide appropriate laboratories for such experimentation since the mechanisms of participation have been strengthened and technical assistance is available.

A Post-Gold Scenario

Consistent with the above, we envisage the following post-GOLD scenario:

A Philippine intermediary — ideally the League of Leagues — is serving as a facilitator/broker, linking LGUs with sources of technical expertise and assistance including both facilitation/OD support and specific technical support. It also has the capabilities to manage a process of policy analysis and advocacy. This intermediary has credibility with and access to LGUs but also is able to take a respected and influential place at the table of dialogue with national agencies.

The agenda of the intermediary is to raise awareness, respond to demand, and link that demand to Philippine resources for assistance — TA, training, planning, facilitation, expertise from other LGUs, policy studies, etc.

An LGU Development Fund is available for cost-sharing responses to LGU demand structured to contribute on a declining basis over a period of years.

This is a nationwide program.

Donor assistance is targeted on capability building for the intermediary, assistance to the intermediary in fulfilling its role, and funding, in part, the LGU Development fund. Other donors are helping to support this fund.

This scenario provides a transition to sustainability for a demand-driven, market-oriented approach for LGUs to attract needed support for their own initiatives in effective democratic local governance.

Making this scenario possible should guide GOLD strategy in its final years.

5 LESSONS LEARNED

5.1 The Wider Context Of Democratic Decentralization In The Philippines

Although strictly speaking the mandate of the present report is to assess the GOLD project the overall experience in designing and implementing the LG Code of 1991 in the Philippines offers a number of lessons to those concerned with promoting democratic local governance in other countries. Development professionals in other regions can gain valuable insights into this topic from the Philippines experience both in USAID and other international donor agencies. Some of the more salient lessons are offered below.¹

1 *A Bold Initiative* - The Local Government Code of 1991 was by any measure a strikingly bold initiative (a brief account is given in section 1.1 above) one which in recent years is arguably unmatched anywhere in the developing world save perhaps in Bolivia where equally innovative changes have been introduced in the local governance setup. As would be the case anywhere such a radical departure from past Philippine practice has required much political will to initiate and sustain. But unlike most other countries where generally it has been the chief executive of the national government that has made democratic decentralization a high personal priority in the Philippines the LG Code was originally championed by a legislator Senator Aquilino Pimentel (previously a city mayor in Cagayan de Oro in Mindanao) and has been sustained by a widely based constituency that has come to include most notably the LGUs themselves. It has had presidential support to be sure but that has constituted only one factor in its introduction and growth.

2 *Great diversity* - The LG Code has encouraged experimentation to an unusual degree leading LGUs to embark on a wide variety of directions and arrangements for pursuing those directions. They have established all sorts of different priorities in the sectors turned over to them and have devised various ways to make good on their designs including collaborations with NGOs and the private sector. It should perhaps not be surprising that local government bodies have gone in a wide range of directions in carrying out an initiative that was after all designed to decentralize government power and authority but it is nonetheless worth remarking that this has happened and to a much greater extent than appears to have been the case in other countries that have embarked on decentralization efforts.

¹ Much of the detail in what follows draws from the 6th and especially the 7th Rural Field Appraisal reports produced by GOLD in 1996 and 1997 respectively. These reports in which findings from all regions of the country are aggregated assess the overall experience of the Philippines in implementing the LG Code. See also Steven Rood "Decentralization, Democracy and Development" article forthcoming in a book edited by David Timberman 1998.

² Previously the team was informed by Dr. James Dalton of ARD the 1987 Philippines Constitution legitimized decentralization stating that "The Congress shall enact a Local Government Code which shall provide for a more responsive and accountable local government structure instituted through a system of decentralization" (Article X, Section 3). Both the 1987 and 1973 Constitutions declared that "The State shall (ensure) the autonomy of local government."

3 *Bringing civil society to the base* - At the national level in the Philippines civil society has been a powerful force in assuring accountability of the government to the citizenry an achievement especially noteworthy in a system characterized by evanescent political parties that have little integrity duration or sustained constituency Civil society in effect has substituted for political parties at least in part as an instrument for accountability Given that the parties are if anything even more ephemeral at the local than at the national level it is vital that civil society assume a similar role in the LGUs Moreover the media which are in many ways a model accountability mechanism at the national level are rather less active at the local level in voicing citizen views and ferreting out malfeasance thereby intensifying the need for an active civil society

The LG Code has launched the means for civil society to assume such an accountability role by requiring that some 25% of the positions on local special bodies (primarily the Local Development Council but also other institutions like Local Health Boards Local School Boards and the like) be filled by representatives of NGOs to be chosen by the NGO community in the area After some initial hesitation (reluctant local political leaders problems with accreditation for NGOs etc) these positions have now largely been filled and there is significant evidence of genuine participation by NGOs as such in local governance affairs There are still gaps to be sure In some areas traditional oligarchs continue to dominate the local scene as they have for generations simply taking the Local Government Code in stride as one more institution to bring under their control But the former coolness and even hostility that had long characterized much of the relations between LGUs and NGOs appears to be systematically if slowly giving way to a much more constructive relationship in which NGOs do have a real impact on decision making and implementation

Furthermore the NGOPs included in this process represent more than the leading local strata such as businessmen and developers who should be expected to be first to avail themselves of new opportunities to influence local government They also include significant marginal elements like fishing communities which have formed bodies like the Fishing and Aquatic Resources Management Councils (FARMCs) which have official status under the new LG Code Women are also finding greater inclusion one report finds about one-third of the NGO participants on local special bodies are female - a considerable achievement in any context - Real progress in short has been made in assuring representation to marginal groups at the local level To what extent this will lead to empowerment for these groups - the ability to affect significantly LGU agendas - remains to be seen Whatever happens the Philippines has made a good start in establishing civil society as a mechanism for participation and accountability and its experience will provide many lessons to other developing countries for launching civil society has proven a daunting task in most local governance settings elsewhere

4 *Balancing local and central roles* - An abiding problem with decentralization efforts virtually everywhere has been a reluctance on the part of central governments to implement thoroughly their commitments to devolve power to the local level Time and again bureaucratic and political resistance at the center has debilitated and even devastated decentralization initiatives altogether It should scarcely be surprising then that decentralization in the Philippines has not proceeded

Rood op cit

⁴ There are of course some sympathetic elements within the central bureaucracies who historically have not always been supported by donors and other outsiders interested in decentralization

without problems and obstacles created by the central government. There have been a number of these. For one thing, not all the decentralized sectors have been devolved evenly. Of the four main areas involved in the LG Code implementation, the Department of Social Welfare and Development (DSWD) has been devolved the most and the Department of Environment and Natural Resources (DENR) the least. The latter still asserts control over most forestry activity (including, for instance, giving permits to fell trees even on privately owned land) as well as natural resource extraction. Of the other areas, the Department of Health (DOH) has been closer to the DSWD in devolving its functions, while the Department of Agriculture (DA) has more nearly resembled the DENR, continuing to run large national programs with uniform implementation throughout the country, even recruiting devolved agricultural extension workers by topping up their salaries if they work on national objectives.

A second and allied constraint has come with finances. Some national agencies like DENR and DA have received increased appropriations, even as their functions were devolved to the LGU level. This is what allows the DA, for instance, to mount its *Gintong Ani* program that has in effect co-opted the extension agents at the local level by inducing them to work on national rather than local projects. Surely, it is reasonable to ask why, if the functions of these departments have supposedly been passed to the LGUs, are these increased budgetary funds not also passed to them?

Third, unfunded mandates from the national government have had much the same unwelcome impact on local government that similar national laws and regulations have had in the United States, for instance, in requiring environmental cleanups or health facility upgrading without providing funds to carry out these improvements. While in most cases such mandates are arguably in the public interest and even improve the local quality of life, they also divert local funds from activities that have a higher local priority.

A fourth problem emerges from the political side, in the form of Congressional largesse. The Congress has allocated considerable funding to Countrywide Development Funds (CDF) that individual members can spend in their constituencies. In the election year of 1998, the CDF is slated to be some P 55 billion or about 10% of the total national budget – a figure that begins to approach the total IRA allocation to LGUs in 1997 (14% of the national budget).⁵ And if the IRA allotment is reduced by a tenth in 1998, as was rumored at the time of the GOLD review team's visit, this Congressional pork will come close in total amount to the IRA. Not surprisingly, LGUs are more than happy to get the additional moneys spent in their vicinities, but at the same time these large sums can undermine locally determined priorities and create dangerous dependencies on political patronage from higher level.

A last problem here is the monitoring issue. The Local Government Code provides that the Department of Interior and Local Government (DILG) exercise only supervisory or oversight functions with respect to LGUs rather than restraining authority.⁶ But local government officials complain that DILG often encroaches on their autonomy by issuing rigid guidelines dictating what local governments should do and not do. Instead, its primary role should be to facilitate and advance

⁵ Data on the 1998 CDF are from the *Philippine Daily Inquirer*, 14 January 1998. The exact sum allotted to CDF may change.

⁶ Agra, Alberto. *The Current Constitutional and Legal State of Philippine Local Autonomy*, 1997.

local governance by developing bench markers of good local governance and providing technical assistance capacity-building and training to local government units to effectively perform their functions For DILG to assume this new function however a major paradigm shift may have to take place within the bureaucracy

These bureaucratic and political issues illustrate a fundamental problem in all democratic decentralization efforts, which is determining just how much autonomy should be devolved to the local level and how much central role should be retained It is necessary to remember that national government agencies are charged with maintaining integrity and adherence to minimum standards in their sectoral supervision The Health Department has a very legitimate interest in suppressing Dengue fever all over the country and the Department of Agriculture would be justifiably concerned if too many farmers switched out of rice production into vegetable crops or horticulture And elected officeholders in Manila are supposed to be concerned over what is happening and what they can help to happen in their constituencies this is part of the standard job description for an elected officeholder

In short national bureaucrats and politicians both have legitimate interests at local level But when do these interests become undue interference? When does monitoring and promoting standards become debilitating control? And when does attention to one's constituency become a smothering of local initiative? These are hard questions and are always up for debate One can point to the current controversy over national school standards in the United States as an example But every country has to tackle this issue and although it will clearly take some time the Philippine polity as a system appears to be groping well here toward answers that should be acceptable to both sides Its experience in resolving this issue can be expected to provide a number of valuable lessons to decentralization efforts elsewhere

5 *Finding local revenues* - The LG Code increased LGU authority to raise local revenue and mobilize local resources and from the outset LGUs have shown great interest in doing so To some extent they have succeeded through user fees joint ventures credit finance and the like But to a much greater extent LGLs have not done very well at increasing local revenues The IRA allotment still amounts to nearly 80% of all LGU budgets on average Present tax collection systems are inefficient (often costing more than the revenues they bring in) property records tend to be spotty and poorly maintained local tax officials are largely self-trained corruption is a constant constraint on increasing revenues and there is the age-old problem that those most likely to be evading paying their share of taxes are all too often the local rich who have the power to continue doing so The Philippines is similar to most other developing countries in all these respects so these observations are to be expected What is different is that while very considerable progress has been made on so many other fronts with the LG Code local resource mobilization remains much less tractable The lesson for other countries is that this is likely to be the most difficult of all areas for making progress through democratic local governance

5.2 Lessons for USAID Implementation and Strategy

The mid-term impact of the GOLD project on the selected sites as recounted above along with the findings that led to the Section 4 recommendations suggest some broader conclusions in

relation to the GOLD project design and implementation that may be instructive to other USAID field officers and decision makers

5.2.1 Design factors

This section explores aspects of the GOLD project design that may provide lessons for development professionals approaching similar situations

- 1 *Intensive on-site technical assistance and training can bring about impressive changes but may be difficult to sustain and replicate broadly* - The GOLD project provides a very high level of technical assistance and training to the sites selected to participate in the project. Each site has at least one resident representative from the institutional contractor and frequently two or three. Other technical staff, facilitators, and trainers are available as needed and augment the resident staff. NGO organizers and facilitators working as part of the PhilDHRRA network are also resident in the area. Thus the approach of the project is to work side by side with local officials and NGOs in carrying out their work more effectively and implementing new methods. Local governments receive assistance in facilitating meetings and workshops, developing strategies and addressing technical issues (though the clear emphasis on the project is on process rather than technical advice) and always have someone close at hand to consult and rely upon.

This kind of close, personalized, and intensive TA, combined with training to build key process skills, appears to be much of the reason that local leaders feel comfortable with the new processes put in place and place high value on participation in planning and decision-making.

The primary institutional contractor, ARD, is providing most of this TA and training directly, with a lesser amount coming from NGO partners. The limitations of this approach are:

- *Replicability* - While intensive on-site TA has been effective, it is costly. Few missions will have the budget resources to focus the lion's share of \$20 million on eleven local government units, and the Mission will be unable to directly apply this level of resources to all local government units in the Philippines.⁷ The challenge will be to determine the essential aspects of the current program - the critical interventions that could form part of a less intensive process for other local government units - and where some aspects of the methodology or staffing can come from other sources. In the discussion of long-term recommendations, we suggest some thoughts on what some of those arrangements might be and where project funds could subsidize key activities unlikely to be continued in other forms.
- *Sustainability* - The intensive on-site TA also has the potential to create a dependency on project personnel for key technical and facilitation tasks. While the project has emphasized training to create capacity to fill many of these roles, and has done so fairly successfully, there will continue to be a need for outside technical expertise and facilitation. In many cases, local facilitators will not be appropriate, either because

⁷ The eleven GOLD sites, including the component cities, municipalities, and Barangays, represent 10% of all local government units in the Philippines. In the provincial sites, however, GOLD operates only in selected municipalities and Barangays.

complicated group dynamics require a more skilled facilitator or an outsider is more acceptable to all involved and offers the possibility of an honest broker in conflictive situations. Local officials cannot be expected to have the necessary expertise in all technical areas. Therefore, as noted in the above discussion and recommendations, the GOLD project needs to anticipate its own departure and develop an alternative vision for delivering this expertise on a more sustainable basis.

2. *Combining support for local "demand" and "supply" in an integrated approach offers potential synergies for increasing participation* - The GOLD project has been most successful when the ARD work with local officials in developing participatory mechanisms is simultaneously complemented by PhilDHRRA organizing work with NGOs to take advantage of these participatory opportunities. Where these two efforts have not coincided, the impact of their work has suffered. The GOLD case also suggests that perhaps the NGO organization/strengthening and related social preparation should precede the planning process and technical assistance focused on local governments at the same site.
3. *NGOs can be effective mechanisms for transmitting citizen interests if they are structured to represent a broad range of citizens and avoid manipulation by local elites* - The project design integrates local government strengthening with support for NGOs as the agent of citizen representation. This aspect of the design follows from the nature of the Philippines' Local Government Code which carves out this role for NGOs. The combination of NGO/PO networking and ToP employed in GOLD has proven quite effective in assuring that a pluralistic universe of people are represented in LGU deliberations through local special bodies (development, health and environment). Those represented include both more privileged local strata (business people, landowners) and marginal elements (fisherfolk, tricycle drivers), though it is not clear how inclusive the representational net is (women as such, urban poor do not seem much in evidence). The evaluation raised questions about representation and potential manipulation in this system of citizen participation.
 - *Representation* - The assumption that NGO leaders are effective representatives of citizens generally can be questioned. Many NGO leaders are not elected and may not have any kind of grass roots or mass base. The requirement that NGOs involved in participatory processes be accredited has some validity but also tends to bring to the fore only the best-organized or financed groups rather than those that are broadly representative. In sites that the team visited, NGO leaders indicated that less than half of the NGOs or People's Organizations present in the community were accredited and represented in participatory planning processes. (HB) There has been more meaningful representation at LGU for some marginal elements, though not much indication that others are being included. PhilDHRRA has been working hard on expanding activity beyond NGO/PO representation into actual advocacy, but it seems too early to tell how well they have succeeded.
 - *Manipulation* - In a very demand-driven design, the team noted the critical role of the elected local leadership in promoting or possibly sabotaging participatory processes. For example, in those cases where the program's initial planning meeting included the principal local government figure (mayor or governor), the priorities identified in that meeting were more likely to be reflected in formal plans and budgets. The CDIE impact evaluation noted the practice of mayors forming and accrediting NGOs that represent their interests.

and appointing them as NGO representatives. This suggests that legitimate NGOs need to be vigilant and monitor the process, possibly serving a watchdog function to counter efforts at manipulation. It also suggests that the process of selecting participants in a participatory process can be critical and that expert experienced facilitators may be required in some situations.

4. *Targeting sites that have the pre-requisites for success can demonstrate the potential of a given approach but may not provide insights required for broader application* - The GOLD project approach is to "build on the best" by selecting those sites where the political dynamics, organizational base, and other factors suggest that the project interventions will have a strong foundation for success.²⁸ Moreover, the project explicitly addressed the critical question of "political will" by requiring that interested local government units apply for inclusion in the program.

The rationale for this approach is largely a "pilot project" argument where the first step involves demonstrating that local governments themselves can successfully implement the key aspects of the new local government code. The successful approaches, methodologies, and innovations developed in these jurisdictions can then be made available for broader application to other sites. As noted above, the project has demonstrated that the new local government code can be applied successfully in project sites.

The primary question raised by this strategy of "building on the best" where political will and favorable conditions are assumptions and foundations for action (in part to prove that democratic local governance could really work in the Philippines) is how replicable the approach is to other "less than best" sites. To some extent the design is built around a "demonstration effect" of responsive participatory local governments and involved citizen groups that should engender demand in neighboring jurisdictions. But if the project is to have broad impact it will need to spread to local government units where political will is less certain and conditions are not ideal.

²⁸ The evaluation criteria formulated by the Project Steering Committee for site selection included:

- a) Interest in Support. The LGU expresses interest for support in the three local government action areas.
- b) Leadership. Priority will be given to LGUs whose officials are creative and are able to elicit meaningful and productive collaboration among their component LGUs, NGOs, and other progressive institutions in the locality.
- c) Commitment of the Local Government Code. The project is aimed at LGUs that show strong commitment to decentralization.
- d) Collaboration with the Private Sector. LGUs exhibited willingness to collaborate with the private sector and mobilize them for the provision of basic development services.
- e) Geographic/Economic Diversification. To ensure diversity of project sites, selection will take into consideration geographic and economic characteristics including natural resource endowments, ethnicity, income classification, and others.
- f) Complementarity with Other Donor Projects. Where possible, the GOLD Project will be implemented to complement USAID Projects.
- g) Willingness to Commit Resources. The LGUs must be willing to commit resources, not necessarily financial.

- 5 *"Demand driven" project mechanisms assure that the project is relevant and sustain local interest but create greater management challenges* - The GOLD project was designed to be 'demand-driven' responding to local needs and its implementation has largely been determined by the outcome of participatory planning processes in each site (within the general parameters of the GOLD project mandate). The demand-driven approach followed in choosing local project activities meant that each LGU would choose its own particular protocols to pursue with the GOLD project rather than operating according to a centrally determined blueprint. This in combination with the ToP has led to a good match between GOLD and local preferences and a high degree of investment in project activities on the part of local leaders.

GOLD project implementors felt that the demand-driven design of the project created important dynamics for the success of the project but pointed out how this complicated their planning and budgeting. They noted, for example, that responding to local demand requires an in-depth knowledge of the expertise available in-country and an extensive network of contacts to identify and procure appropriate people at the right time. At the outset, developing and reviewing proposals for contractors or grantees is difficult given the uncertainty of what the demand will be. Implementors also highlighted the importance of USAID flexibility and a relationship of trust between partners in making this kind of design work.

- 6 *Decentralizing the project structure and implementation reinforces the decentralization objective* - GOLD does not deal directly with and through a host-country government agency at the national level but instead has contractors and grantees at the national level (ARD, PSBP and EBJF) which interface with government only at the local level. This has demonstrated the demand-driven aspects of the project and allowed it to be flexible and responsive. Working through local NGOs that are established but have little experience in dealing with LGUs in a constructive relationship (for example, the Gerry Roxas Foundation and Divine Word College) has helped to build this capacity and has created a reservoir of local expertise that will help make democratic decentralization self-monitoring.
- 7 *Combining local efforts with support for national associations or leagues provides opportunities for addressing national-level policy issues and mechanisms for broader dissemination of information and replication* - The three leagues of provinces, cities, and municipalities have proven able in two important dimensions. They have become effective advocates for their constituencies at the national level (e.g., the 59 proposed amendments to the LG Code) and they have provided fora for exchanging practices and insights among their members. As noted above, they offer potential for sustaining and broadening project impact.
- 8 *Using a variety of techniques to monitor progress provides different perspectives for determining project priorities or possible changes in approach* - The GOLD project applies a number of innovative monitoring techniques to develop different types of information for the project about the progress of project initiatives and the general process of implementing the Local Government Code in local government units. These include surveys, Rapid Field Appraisals, GOLD conferences, external evaluations, quarterly reports, Results Package indicator measurement, and site visits. These different levels of analysis provide different kinds of information to feed into the decision-making process.

- 9 *Designing project activities to build on prevailing cultural norms and conditions is important to project success but may limit its replicability in other national/cultural settings* - In considering the utility of ToP in other settings one critical question to ask is to what extent is ToP's success in the Philippines a function of Philippine culture as opposed to the inherent worth of the approach. People in the GOLD sites have seemed to work quite well in groups to craft consensus conclusions. This could well be expected on the NGO side where a participatory approach has long been the norm in many organizations. But for LGU officials -- both elected officials and government employees -- to have found the ToP experience to be useful is significant for their institutional culture (as well as the patron-client culture that has typified so much of public life in the Philippines) has been much more hierarchical. Indeed ToP could be said to have had a significant role in bridging the gap that has long existed between the NGO and LGU communities.

The process orientation of the GOLD project and application of ToP seems to have built upon a foundation of this kind of work in the NGO community in the Philippines. But would ToP succeed in cultures characterized by social hierarchies more rigid than those found in the Philippines (e.g. India) or by social fragmentation (e.g. former Soviet bloc countries)? The question of course is an empirical one subject to testing but one suspects that a significant accumulation of social capital may be an essential prerequisite for successful ToP. To raise such a question is not to attack the worth of ToP but rather to observe that while it may work marvelously in some settings it may not be universally applicable.

The GOLD project is almost totally a process oriented project focused on TA and training without the 'carrot' of funds for local projects or infrastructure that are built into many other local government strengthening designs. Sources suggest that the ability to successfully implement such a program rests on the level of past USAID support for local projects and the cultural openness to these processes. Nonetheless it offers one example of where such a project is accepted and having impact.

- 10 *A broader range of entry points" offers the project increased flexibility* - USAID has worked for a long time in the Philippines on decentralization issues. Before GOLD the entry point for USAID intervention was primarily at the level of national government agency relationships with local government. The focus was on administrative deconcentration and more responsiveness to local needs. In the wake of the Local Government Code USAID made a major switch to an entry point leveled to local government itself and local government's relation to citizens. Several observers of GOLD while affirming both its innovation and effectiveness believe that it could be more effective if USAID were still addressing issues of national agency bureaucratic reform. A counter argument is that other donors such as the UNDP are working on this issue and so USAID's focus is appropriate.

In any case the lesson may be that as programs in democratic decentralization mature that a *spread* from one entry point to another may be preferable to a *shift*. That is broaden the range of entry points rather than change them. This does not necessarily mean that USAID needs to do everything but that there be a conscious awareness of change donor-assisted if necessary across the whole range of decentralization and democratic local governance dynamics.

5.2.2 Implementation factors

The implementing organizations have built upon the original project design to develop their program of implementation. Their efforts suggest other lessons learned for broader consideration.

- 1 *Packaging and marketing of key processes may be as important as the substance* - ARD has successfully packaged and marketed a series of standard group decision-making techniques as the "Technologies for Participation" or ToP. Making these techniques accessible combined with a strong training effort led by creative and talented people has been a critical factor in building the confidence of local leaders in their ability to successfully manage a participatory process. Potential resistance to broader participation is countered by their sense that they have a tool and some skills that make the process productive and build ownership among participants. One project staff member described community response to ToP techniques as 'almost magic' and respect for the ToP process was widespread.
- 2 *Project implementors can be overloaded if forced to take on too much too fast* - Implementors feel that the GOLD projects' initial work in eight sites and then an additional three soon thereafter was unrealistic. They were unable to internalize the lessons learned from the initial activities before stretching themselves thinner by taking on additional sites. The ARD COP advises either starting out with the full number (e.g., ten) so that the whole effort is geared for that magnitude of effort or phase in new sites more gradually.
- 3 *Project-funded personnel should avoid "taking over" local government functions* - GOLD project implementors emphasize the importance of serving only as facilitators for the work of local government officials and NGOs and not doing their work for them. Among the ways implementing organizations tried to prevent this natural tendency on the part of technical assistance providers were the following:
 - *Resisting the temptation to set up 'project offices' in GOLD sites* - Though eventually resident advisors were established in most sites, these were not established initially and in most cases were locally-based people who eventually emerged from the ongoing implementation process as technically capable and committed. The dynamic established was thus more one of local people demanding assistance from GOLD implementors than GOLD asserting itself upon the local community. Implementors also felt it was important not to budget by site - since in a demand-driven project there would be no assumption that funding for different sites could either be initially determined or necessarily equitable. Initial project activities were undertaken through regular travel to project sites by assigned headquarter staff. Staff facilities and equipment were preferably placed in LGU quarters.
 - *Requiring cost sharing and placing responsibility for preparations locally* - Implementors followed the general principle that local government units would contribute substantively to events and processes promoted under the project and that the responsibility for doing the work rested with the LGU (assisted by project personnel). For example, some local Barangays involved in participatory Barangay planning and budgeting activities provided snacks for all participants, handled logistics, and played a key role in development of workshop materials.

- *Resisting purchase of computers and commodities* - To emphasize that the project was focused on process TA, and participation project implementors resisted buying computers (a common initial request), and instead provided technical assistance in developing computer systems and planning for computerization. This established the GOLD niche and forced municipalities to use their own resources or other sources for the hardware.
- 4 *Mechanisms for integrating the work of different implementing entities should be built into the design* - The Mission's decision to work with separate organizations for the support of LGUs and NGOs created situations in which the two organizations are not working simultaneously in the same jurisdictions - either because they chose different municipalities to work in or the timing of their intervention did not coincide. If this work is not integrated into the work of one implementing entity appropriate mechanisms should be developed to assure close coordination and the Mission should work as a team to avoid timing problems due to procurement delay.
- 5 *The quality of local staff is critical to project success* - Much of the success of both ARD and PhilDHRRA is based on their ability to recruit and empower local talent as part of their staff. Based on the evaluation team's interactions with headquarters and field staff of the major implementing organizations it is clear that a major factor in the success obtained thus far is the quality of human resources working on the project. And by using predominantly local technical assistance personnel capacities are honed that will spin off into local firms and institutions.
- 6 *Person-to-person sharing of best practices can be a powerful means of dissemination* - Local governments in the Philippines as elsewhere are eager to learn from each other. Providing (or supporting associations of local governments to provide) venues for information exchange cross-sharing of local government technical experts and standard-setting is a high payoff activity. Both peer pressure for excellence and helpful information about on-the-ground techniques that have worked are the result.
- 7 *Serious attention to performance results data can focus broad attention on key issues* - By sharing relevant results data with LGUs and local opinion leaders local discussion is sparked about the quality and local accountability of local politics and governance. Moreover a model of data-driven decision making is established.
- 8 *Trusting local decision making pays off* - Local direction of project activities in GOLD through protocols designed and driven by local technical working groups has led to real results. An approach facilitating this success is the use of composite action teams including mixes of local government officials, legislators, NGO personnel and technical experts.

Annex 1

GOLD Project Description (ARD)

1 Background

Over the past decade decentralization efforts have enhanced local autonomy and moved decision-making closer to affected sectors -- the community organized groups of citizens and local governments. The 1987 Philippine Constitution and the 1991 Philippine Local Government Code grant both local government and non-government organizations a key role in developing self-reliant communities. However, there remains a need for building practical mechanisms for cooperation and developing technical and managerial capability.

The Governance and Local Democracy (GOLD) Project is designed to support improved systems of local governance emanating from a dynamic relationship between the governmental and non-governmental sectors. The project's demand-driven and assisted self-reliance modes of operation coupled with its dual emphasis on improved local government performance and popular participation in public affairs, represents the cutting edge in promoting democratic local governance systems.

GOLD Project Sites

Bohol Province	Naga City
Bulacan Province	Negros Oriental Province
Capiz Province	Nueva Vizcaya Province
Cotabato Province	Palawan Province
General Santos City	Sarangani Province
Lanao del Norte Province	

2 Expected Results

The expected results or performance objectives are drawn from the contract and are met by responding to partner local government- and civil society-demands through a strategy of assisted self-reliance. The project assistance completion date (PACD) is September 30, 1999. It is presumed that the project's performance objectives will be completed prior to this date. The expected results of the GOLD Project follow:

1. Eleven local government units (LGUs) will achieve substantially more effective governance with broad participation. Effective local governance is defined for the GOLD Project's performance criteria as:

Strengthened participatory mechanisms that provide effective coordination and communication among local government officials and the non-governmental sector including local NGOs, POs, cooperatives, professional organizations, business associations, etc. Citizens must be able to participate in and influence governance, and local governments must be able to mobilize public participation when required.

- Local governments must be more responsive in the three priority action areas of the GOLD project—Resource Mobilization and Management Development Investment Prioritization and Promotion and Environmental Planning and Management—in accordance with the 1991 Local Government Code
- 2 An effective communications system will be established that includes the sharing of information among local governments policy studies to probe critical issues confronting local government and to inform decision makers promotion of more effective media coverage of local government issues and the actions of local government and periodic Rapid Field Appraisals (RFAs) to monitor the implementation of the Local Government Code

3 GOLD's Core Activities

The GOLD Project seeks to demonstrate that local communities can accelerate the development process and improve government performance in the delivery of services by harnessing community resources and utilizing authorities provided under the Local Government Code. The implementation strategy is premised on *assisted self-reliance* that involves using resources to strengthen community capacities to address their own needs and priorities through more responsive and accountable local government. These resources are provided on a *demand-driven* basis in critical areas as defined by the communities themselves.

The GOLD Project supports selected partner local governments within nine provinces and two highly urbanized cities (HUCs) in their efforts to

- Enhance citizen participation in decision-making processes
- Improve performance in local governmental operations
- Strengthen supportive local and national levels organizational linkages
- Address policy roadblocks constraining decentralized development

Participation

GOLD supports active community involvement in local governance decision-making structures and other mechanisms. Consequently, participatory processes and methodologies infuse all aspects of the project. The utilization and strengthening of participatory mechanisms is a central cross-cutting theme of GOLD designed to further local government performance, transparency, civic participation, and public accountability.

Directly or in coordination with GOLD's NGO grantees, the Project assists communities to

- Involve multiple community stakeholders in planning and prioritizing governmental services and other needs within each of the partner sites
- Increase local official support for NGO participation and the utilization of participatory and transparent methods of community engagement
- Assist NGOs to participate in local special decision-making bodies and demonstrate practical ways by which these bodies can improve both transparency and performance of local government

- Catalyze participation of NGOs in other planning meetings, conferences, policy development meetings, and other fora in which community views, priorities, and values can be articulated. Assist NGOs to influence priorities of local governments, and introduce participatory methods, such as the *Technology of Participation (ToP)*, to facilitate sharing between local governments, NGOs, and other members of civil society, the Local Government Leagues, and national agencies.

Local Governance Action Areas

The Local Government Code transferred authorities, functions, resources, and regulatory responsibilities to local government that were previously exercised by national government agencies. Since 1992, some 69,000 national government personnel have been placed under local control. Significant authority over planning, health, social welfare, environmental management, agriculture, and other basic services are now primarily the responsibility of local government.

The ability of local governments to meet their service obligations, defined in concert with their communities, is essential to sustainable decentralized governance. GOLD enhances local governance performance in local development by providing technical assistance in three broad areas defined in conjunction with local government and community leaders, NGO leaders, Leagues of Local Governments, and national agency representatives:

- Resource Mobilization and Management
- Development Investment Prioritization and Promotion
- Environmental Planning and Management

Resource Mobilization and Management. Effective resource mobilization and management is the foundation of sound local governance. The 1991 Local Government Code transferred broader powers and responsibilities to local governments to better enable them to raise revenues and manage human resources more effectively. However, many local governments are struggling to define which structures, systems, procedures, and practices work best under this new policy environment. GOLD assists local governments to increase the amount of financial resources available to their respective communities and improve technical and administrative capabilities to manage such funds. In addition, GOLD provides organizational and human resource related technical assistance in support of service delivery improvement initiatives identified by local governments.

Development Investment Prioritization and Promotion. Public resources alone are insufficient to meet community development requirements. Some of the most effective development investment planning has been demonstrated by local governments, particularly cities, which have internally articulated aggressive development objectives and have tied their own resource allocations to these objectives. GOLD capitalizes on this insight by supporting direct linkages between development prioritization and investment promotion, focusing on *rapidly achievable assessments*. Through targeted technical assistance, GOLD has demonstrated that local governments can formulate development investment plans, undertake sound feasibility studies, and implement investment-oriented projects promoting economic development - either directly or through partnerships with the private and voluntary sectors.

Environmental Planning and Management. The Philippines faces enormous pressure on its environment and natural resources, foremost of which is the overwhelming impact of development activities undertaken to meet the livelihood needs of a rapidly expanding population. The 1991 Philippine Local

Government Code laid the foundation for a more responsive and accountable local governance structure with more power, authority, responsibility, and resources to address environment concerns. GOLD offers local governments and NGOs an opportunity to define their roles in environmental management and to

- Develop approaches for improving local government effectiveness to plan and implement environmental management programs

- Promote methods for enhancing public involvement in local environmental decision-making, management, and enforcement

- Devolve management of environmental resources to local government and foster inter-local governmental management of shared resources

Policy and Communication Support

Local governments are often prevented from innovating due to a lack of information or national policies and regulations oriented towards constraining activities rather than encouraging and promoting effectiveness. At the local level, GOLD assists local government enhance efforts to improve citizen access to information on programs and issues, promotes the exchange of comparative approaches to local problems and concerns through cross-visits, and helps to increase transparency.

At the national level, GOLD assists local governments and the Leagues of Local Government in their efforts to develop more authority through the revision of the local government enabling acts to allow local units of government to handle a broader array of functions previously provided by national government agencies. The Project undertakes policy studies and publishes a series of Occasional Papers, Rapid Field Appraisals on the state of decentralization in the Philippines, and other resources for local and national leaders to contribute the local perspective to the national policy dialogue.

Annex 2

Evaluation Scope of Work (USAID)

STATEMENT OF WORK Impact Assessment of the Governance and Local Democracy (GOLD) Project (Project No 492-0471)

I PURPOSE OF THE GOLD IMPACT EVALUATION

The impact evaluation shall be both diagnostic and prognostic

The diagnostic portion shall establish both quantitative and qualitative project accomplishments as well as project learnings. The prognostic portion will suggest possible project directions either through GOLD Project or a successor project on how the project learnings can enhance further the Philippine decentralization dynamics particularly in the areas of peoples empowerment, transparency, accountability, volunteerism and performance of local government units.

II BACKGROUND

The Governance and Local Democracy (GOLD) Project is designed to reinforce the Philippine democratic decentralization process by strengthening pluralistic community participation in local governance and more effective government performance in local development, supporting Leagues of Local Governments, and institutionalizing a communication and feedback system which infuses and supports local governance.

GOLD's Project strategy is premised on 1) assisted self reliance and 2) demand-driven. In essence, 'assisted self-reliance' involves the use of external resources not so much to produce direct results as to strengthen local capacities to initiate and manage activities that produce benefits for the local community. It means working with the public and private sectors in participatory processes that brings about development. Demand-driven means LGUs defining the areas where assistance is most needed.

In implementing this strategy, GOLD Project is premised on five activity areas guiding project interventions, namely:

- a. strengthening participatory mechanism
- b. local government action areas
- c. support for the Leagues and NGO networks
- d. policy support and
- e. institutionalizing a communication and feedback system

In September 1994, the Project Agreement with the Philippine Government was concluded and in June 1995, procurement of the services of the Associate in Rural Development, Inc. (ARD) was completed. In November 1995, a Grant to the Philippine Business for Social

Progress (PBSP) for enhancing peoples participation in the GOLD pilot areas, enhancing NGO networking and assistance to the League of Provinces and Cities was completed. Similarly a Grant was awarded to the Evelio B. Javier Foundation, Inc. (EBJF) to assist the League of Municipalities was concluded.

Eleven partner sites (9 province, 2 Cities) have been selected and a number of GOLD Project related activities are underway in varying stages.

Unlike other USAID Projects, GOLD does not have an "apex" or single National Government Agency as the implementing unit. Instead, a multi-agency and LGU represented Project Steering Committee (PSC) monitors activities of the contractor and grantees working directly with LGUs through organized project working committees and through partner NGOs.

III OBJECTIVES

1. Establish quantitative and qualitative project accomplishments and impacts on local government units, NGOs/POs, the professional Leagues, and overall decentralization dynamics.
2. Identify project learning relative to overall decentralization efforts.
3. Identify possible future project directions to enhance local government performance and strengthen decentralization and local autonomy.

IV STATEMENT OF WORK

The Assessment team must recognize there are numerous ongoing government activities supportive of the decentralization policy that are taking place without support of GOLD. Other donors like the FORD Foundation, Asia Foundation, and Canadian International Development Agency (CIDA) are providing assistance to the Philippine decentralization processes. By focusing on the GOLD key action areas, we hope the assessment will cover impacts that could be attributed mostly to the project.

The specific tasks will include the following:

1. **Impact of Strengthening Participatory Mechanisms** - Considered the heart of the project, serious effort has been made to address the issue of people's participation. In 1995, the ARD introduced the Technologies of Participation (ToP) in Strategic Planning Workshops in the selected partner provinces and cities. Realizing the value of the technology in eliciting people's participation, a number of facilitator training sessions were conducted. Today, ToP has spread beyond GOLD Project and GOLD activities. A cadre of trained facilitators are using ToP and the demand for their services have been growing.

We are interested to capture quantitatively and qualitatively, to the extent possible, the impacts of ToP in the partner sites. Issues include but should not be limited to: What happens when ToP is introduced? What are the impressions of participants in ToP workshops? What has happened or What has been accomplished beyond the workshops? Who is doing the

work? Is there local interest in using ToP (and would value some documentation of its spread beyond project sites)? What are the implications of ToP as seen or perceived by LGUs/NGOs? What stimulus has been produced by ToP? What collective understanding has occurred as a result of ToP? Is there interest in alternative methods of participatory planning?

One major focus for enhancing participatory decision making is the NGO sector. The grant to the Philippine Business for Social Progress (PBSP) implemented by its partner NGO, Philippine Development for Human Resources in Rural Areas (PhilDHRRA) was designed to provide assistance in: 1) organizing and mobilizing communities towards active involvement in local governance; 2) effective participation in the local special bodies mandated by the code; and 3) in community decision making structures.

By promoting pluralistic participatory processes, GOLD hopes to engender responsive and accountable local governments. A mid-program assessment of the grant was recently completed which the team can refer to and/or build on. We are interested to know among others: What has been the impact of the NGO activity on mitigating adversarial relationships between NGOs/POs and LGUs? Has the activity helped in enabling citizens to be informed as to enable them to evaluate and control the performance of their local government units? Are NGOs/POs addressing participation, governance and accountability issues? What are the learnings, if any, in getting NGOs/POs to collaborate with LGUs? Has the activity contributed to grassroots understanding of LGU operations and development efforts?

2. Impact of Key Action Areas

GOLD's activities in enhancing local government performance are focused on providing technical assistance and training in three critical action areas of local governance: financial mobilization and management, development investment prioritization and promotion, and environmental planning and management. Each partner site has identified priority need areas during initial strategic planning workshops and have defined work programs/activities which have been translated into project protocols.²⁹ The protocols are in various stages of implementation. We need to determine the impact of work in the action areas in: Improving understanding of problems identified; How technical working committees are addressing the issues? What are the nuances in the activities? What is the contribution of LGUs, NGOs? How are transparency and accountability being addressed? What are the learnings, if any?

a) **Resources (Financial) Mobilization and Management** - Three key areas of LGU resource mobilization are supposed to be covered, namely: public/private development financing, revenue mobilization (enhancing local tax collection) and budgeting including fund management. Most of the efforts are being done in the area of enhancing efficiency of local revenue collection and improving local and technical capabilities to manage such resources. We need to determine the impact of the technical support in the following areas: Is there a real interest of LGUs and members of the technical working group? What stimulus has this created? What effects does it have in terms of LCEs, Sanggunian, assessors and treasurers? The business sector? The NGO/PO community? What initiatives are various actors in the LGU

²⁹ As a demand-driven project, it must be emphasized that there has been no assumption that all action areas will be addressed in equal measures in all sites. The team should anticipate wide variance between sites and treat this as integral to project design.

undertaking to enhance financial mobilization and fund management? How far are we from creating a mind change regarding local revenue mobilization among local executives? Sanggunian? Treasurers? NGA(DOF/BLGF)? What have we learned so far?

b) **Development Investment Prioritization and Promotion** - GOLD supports the setting up of development priorities as a management tool to facilitate the more effective use of community resources rather than the 'traditional planning' processes. Support are focused on direct linkages between the setting of development priorities and rapidly achievable assessments that can be utilized to organize and manage private investments within this key action areas a number of Barangay Municipal and Provincial Planning and Budgeting workshops have been conducted. Similarly assistance were extended in the area of crop production small irrigation systems rehabilitation of water system and bond flotation. We are interested to know What concrete actions are resulting from the technical assistance? Are LGUs providing funds personnel or volunteer labor for concrete activities? Are communities pleased with the Barangay planning and budgeting systems? What are its implications and learnings? What important changes are occurring among LCEs Sanggunian? Technical working groups? NGOs/POs?

c) **Environmental Planning and Management** - Interventions are focused on assisting LGUs to better understand their environmental situation develop and prioritize options and undertake actions. In some cases this yields plans on conventional land-use and environmental management monitoring and protection. In others the approach may be to tackle very specific environmental issues developing a plan of action to address the issue to organize community support for such action. Project advisory services also focuses on the long-term sustainability of LGU resource base relative to identified economic development priorities. We are interested to know What key actions have been undertaken by LGUs on completed land use plans? To what extent the environmental action plans are being funded and/or being implemented? Is there a felt ownership by the community for these plans? Does the plan represent the interest of the community? What have we learned by working in this area?

d) **Other Protocol Activities** In support of the above 3 key action areas a number of LGU partners have protocols in the area of Health and/or Organizational Development. They were identified by the LGUs as priority areas of concern during the strategic planning workshops. We are interested to know What has been accomplished? What stimulus is the activity producing in the LGU? What have we learned from the activity?

3 **Impact of Support for the Leagues and NGO Networks** - GOLD is assisting the three professional leagues particularly the League of Provinces the League of Cities and the League of Municipalities in professionalizing the respective secretariats. The assistance which is directly managed by PBSP for the League of Provinces and Cities includes providing technical personnel supporting the Leagues to undertake their sharing program publication of a League periodical (newsletter or journal) and creating avenues whereby the Leagues are able to discuss and agree on their proposed amendments to the 1991 Local Government Code (LGC) of the Philippines. Assistance to the League of Municipalities (LMP) is provided through the Evelio Javier Foundation (EBJF) Inc. in the same areas of concern as the other two leagues. Additionally though EBJF is tasked to provide assistance to strengthen the Provincial Chapters of the LMP in the GOLD sites. The long term objective of the assistance is to enhance the capacity of the Leagues to perform their advocacy and information dissemination role.

In addition to the work of PBSP and EBJF on the 3 major Leagues, ARD is assisting the Leagues in the review of various Desk Studies facilitating consensus on Code Amendments between the Leagues and the NGO/PO technical assistance in support of the formation of a Leagues or Leagues and assistance to DILG's Oversight Committee in the review of the Local Government Code

While the assistance to the League of Provinces and Cities were included in the NGO grant component the assistance to the League of Municipalities was not. We would like to know How institutional development has taken place in the various Leagues? Given that the 3 League presidents will no longer be eligible to run for re-election will the League operations be hampered? Can the League be the home for decentralization efforts in the future? What are the prospects for the newly formed "League of Leagues"?

The assistance to the NGO networks is undertaken by PBSP in collaboration with CODE-NGO in order to provide avenues for a wider range of NGOs seeking to interface with LGUs in pushing for bottom-up planning through people's participation and decentralized development

Again the assistance to the NGO Network was part of the last mid-project assessment which the team should review

4 Impact of Policy Support - The Project is providing policy support to decentralization through Policy Studies Occasional Papers and by monitoring the progress of decentralization through Rapid Field Appraisals (RFA). In addition the Project monitors key project indicators using local partner institutions annually. These studies are being carried out relative to national interest and the decentralization process in general. We want to know To what extent are the Policy Papers/Occasional Papers likely to create stimulus for discussion or procedural changes in local government administration/local governance? Has the RFA over time created a mind-change in the LGUs and NGAs? What stimulus are occurring among local partner institutions? Is there a danger that these local academic institutions be branded as 'political allies' or certain groups? Are we compromising the institutions perceived neutrality? What have we learned by working with local academic institutions?

5 Impact of Institutionalizing a Communication and Feedback System - This activity seeks to provide information of LGUs and government performance in general with respect to decentralization. We want to know What is being done to disseminate GOLD early success to non GOLD and among GOLD sites and encourage replication by other LGUs? Is there now a critical mass or bodies that could act as champions of democratic decentralizations? How do we structure better our communications and feedback systems?

6 Impact of Management and Implementation Process - GOLD is a departure from the traditional USAID project mode of assistance since there is no implementing national government agency and that the project only provides technical assistance to partner LGUs. Ancillary to the GOLD Project key action areas the assessment team should also look at the project structure strategies selection criteria and operating mechanisms. We look for enriching these areas relative to our goals. We are interested to know How the NGAs in the Project Steering Committee and Local Executive from the partner LGUs perceive this modality of assistance? How effective is the project Steering Committee in providing overall directions for policy decisions and facilitation of project activities? How has the project strategy on assisted self-reliance and 'demand-driven' basis contributed to promoting democratic local governance

and development? Are there lessons learned that should be shared with other donors and other USAID's Missions? What are they?

METHODOLOGY

The team will review project documents reports and studies and will supplement their project understanding with interviews of key people both in Metro Manila and in selected GOLD Project sites. The Sample LGUs will be jointly selected by the assessment team and USAID. In order to respond to the assessment objectives suggested hereunder in addition to guide questions already detailed for each of the activities is the overall evaluation model that the team may choose to follow

a Establishing quantitative and qualitative project accomplishments and impacts

In assessing the project impact by activity areas the evaluation team shall collect quantitative and qualitative data to the extent possible to give "life" and a better understanding of the dynamics of empowerment transparency accountability volunteerism and performance of local government units. In order to accomplish these objectives the evaluators shall be guided by the following but not limited to these questions whenever applicable

Quantitative impacts

- What has happened?
- Where it happened?
- How much has happened?
- Who did the work?
- How much interest and commitment?
- How much local contribution?

Qualitative impacts

- What important changes have occurred?
- How are the changes perceived?
- How is the GOLD Project producing/enhancing the stimulus?

b Establishing project learning

As essential as the qualitative and quantitative information are the determination of lessons learned. Essentially we are interested in

What collective understanding have occurred or emerged about people's participation empowerment advocacy transparency volunteerism and decentralization?

What have we learned in the implementation of the project in terms of organizational set up working with LGUs directly?

c Recommendations/ Identifying future project directions

Are there important key areas that need to be immediately addressed relative to the Philippine Decentralization? What key areas that are not covered by the current efforts but are needed to enhance the precepts of local governance and peoples participation? Should we include them in the current GOLD Portfolio or begin to draw a plan to address them in a successor project?

Annex 3

Persons Interviewed

USAID/Office of Governance and Participation

Michael Calavan Chief Decentralization and Local Development Division
Leonardo Davao Development Assistance Specialist
Napoleon De Sagun Program Specialist
Christine Idquival Program Officer

Associates in Rural Development GOLD Project

Kenneth H. Ellison Chief-of-Party
Philip Schwem Deputy Chief-of-Party
Rose Marie Nierras Participation Development Specialist
Alex Brillantes GOLD Research Program
Tony Avila Real Property Taxation and Local Finance Specialist
Butch Ragragio Investment Promotion Specialist
Steven Rood Policy and Indicators Measurement Specialist
Alberto Agra Policy and Legal Consultant
Imelda Limun Communications and Publicizing Specialist
Rose Nierras Technology of Participation Specialist
Ed Queblatin Environment and Land Use Specialist
Fren Olano Branguay Planning and Management Specialist
Bing Bonoan Real Property Taxation and Local Finance Specialist
Mario Galang Coordinator Barangay Planning and Budgeting
Lizette Cardena Environment and Land Use Specialist
Lisa Padua Documentation Specialist
Hedz Micor Organizational Development Specialist
Agnes Cargamento LGL Planning and Budgeting Specialist
Ruth Girochi Organizational Development Coordinator
James Dawson Local Government Finance Specialist

Ford Foundation (Manila)

Garv Hawes Program Officer

United Nations Development Programme (Manila)

Cesar Samprato Resident Representative
Emesio D. Bautista Assistant Resident Representative

Asian Development Bank

Armin Bauer Programs Department
Fei Yue Programs Department

Philippine Business for Social Progress

Roberto Acosta
Eugenio Caccam
Aurora Francisco-Tolentino

Philippine Partnership for the Development of Human Resources in Rural Areas

Marlene Ramirez Executive Director
Jing Lopeiz

Eulio B. Javier Foundation

Rommel Martinez Executive director
Apolinar Dichoso Technical Coordinator GOLD Project
Red Batario

Philippine Department of Finance

Norberto Malvar

Philippine Department of Budget and Management

Mario Bravo

Philippine National Economic and Development Authority

Roweena Dalusong

Development Alternatives, Inc. Natural Resources Management Program

Bruce Harker Chief-of-Party
E S Guiang Forestry Management Specialist
Roberto V. Oliva Resources Rights Specialist

League of Provinces

Dennis Lopez Head Program Development

League of Cities

Gil-Fernando Cruz Executive Director

League of Municipalities

Mavor Raymundo Roquero

Gaspar Gayona

Bohol Province (partial list)

Rene Relampagos Governor

Edgar Chatto Vice Governor

Juanito Cambangay Head of Provincial Planning Office

Socorro Plaza Head of Provincial Human Resources Office

Albert Sanviciores Chair Investments Protocol Advisors

Fr Romeo Dompot Chair Environment Protocol Advisors

Cesar Tomas Vice-Mavor Loon Municipality

Fr Florante Camacho President, Divine Word College

Cynthia Ayco Team Leader Bohol Poll

Josephine Cemine Bohol Poll

Helen Arriaza Bohol Poll

Eric Canete Bohol Poll

Angie Coliver Bohol Poll

Abraham Encabo Bohol Poll

Maria Paz Espiritu Bohol Poll

Vera Gesite Bohol Poll

Emilia Roslinda Director Bohol Assoc Of NGOs

Agredo Meisimo President First Consolidated Bank

Linda Paredes GOLD Project Coordinator

Resti Teido GOLD staff

Jo Remolador GOLD staff

Rene Acosta GOLD staff

Mimi Catalan GOLD staff

Nunila P nat GOLD staff

Mvra Trinidad GOLD staff

Capiz Province (partial List)

Agnes Dillaruz Executive Director Gerry Roxas Foundation (GRF)

Raquel Olandia GRF

Rafael Bojos GRF

Adelfo Virvudazo GRF

Victor A Tanco Mavor Dumario Municipality

Renato Villarreal Division Municipality

Naga City (Partial List)

Jesse Robreto Mayor
Jemuel M. Perino ARD Watershed/River System Specialist
Ms. Jean Llorin NCPC
Dr. Vito Borja Technical Working Group on Health
Councilor Jose Ranoia TWG on Health

Barangay San Francisco Naga City

Teresita Alipante Community Volunteer Health Worker
Agaton Aureus Neighborhood Watch (President)
Romulo Badond Stallowners Business Associ (President)
Allida Dioquino Mr & Mrs Club (Member)
Ma Estrella Abuo Community Development Worker
Josephine Naz Barangay Official
Evangeline Damasig Teacher
Juan Kimson Lupon Member
Norma Lazado Kagawad
Ester Aureus Kagawad
Natividad Dianola Lakas ng Kababaihan
Badette Anciano Community Organizer NCPC
Bgv Capt. Matias Oliva Barangay Captain Bgv San Francisco

Naga City Meeting with NGOs

Malou Capucan Camarines Sur Network
Jean Llorin
Josefina Quinones

General Santos City (partial list)

Gloria Jumamil Mercado Planning and Development Coordinator
James Bobbett GOLD Coordinator
Lizza Tuvac ARD GOLD Documentor
Teresa Garon CENRO
Miriam C. Grifile Community Health Development Inc
Bro. Crispin Betita FMS Marcelin Foundation
Victor C. Alfaro PHILDHERRA
Francis Martinez Municipal Administrator Kiamba
Melin Jules Vedeja PHIDHERRA
Leonilo Escalada Socsargen Media Coop
Gloria Mercado City Planning and Development Coordinator
Valiente Lastimoso City Environment and Natural Resources Office

General Santos City Barangay Labangal

Bgv Capt. Avelino J. Flores Bgv Captain

Cecilia B. Cristobal Bgy. Secretary
Lucia Dalumpinos Committee of Health and Sanitation
Francisco B. Cavan Kagawad Committee on Infrastructure
Soaz Arrovo Kagawad Committee on Transport
Antonietta Alominia Kagawad Committee on Social Services
Sabina Castromavor Kagawad Committee on Population
Melchor Geepte Kagawad Committee of Coastal Management and Environment

Sarangani Province (partial list)

Concesa R. Torrez Provincial Administrator
Fredo Basino PPDC
Rene A. Punzala Provincial Planning and Development Officer
Imelda Senabago PPDO
Jelyn Apua PPDO
Lourdes Riego Provincial Treasurer
Antonio A. Yasana Provincial Agricultural Office
Joji Eunice Lasalita PPDO
Patrick Dugan Jr. NMRP
Aim Agcaoili ARD/GOLD Technical Assistant
Eleanor C. Saguigit NGO
Giuseppe Chan Coastal Resource Management
Patt Sol OIC Provincial Agriculturist

Municipality of Namban, Sarangani

Carmelo M. Velasco Municipal Planning and Development Coord.
Wilhelmina Espe Department of Education
Emmanuel Fabre Community Affairs Office
Virgie Ares Provincial Development
Francis Martinez Municipal Administrator

Plus 120 local government officials at the GOLD January Conference'